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# FINANCIALTIMES

Friday August 22 1980

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Carried W

# Soviet nuclear sub fire: nine die

Nine crew of a Squiet nuclear-powered submarine died in a fire which left the vessel crippled south of Japan. Japanese authorities warned ships to keep clear, although there have been no signs of

radioactive leaks. . The Soviets declined an offer of assistance from Japan, evacuating many of the crew to a Soviet ship which sped to the

In the U.S., the private publi-cation Armed Forces Journal says the U.S. has developed a fighter aircraft designed to be virtually invisible to Soviet radar. Page 4

#### Jerusalem vow

condemning its formal annexa-tion of the city. In southern Lebanon, Israeli and right-wing militia gunners shelled towns for the third day. Page 3

#### **BR** inquiry

British Rail has started an inquiry into an accident at a Criccieth, North Wales, level crossing in which a group leader and a girl aged 12 were killed and several other Manchester children hurt when they were struck by a train.

#### Drug warning

The Committee on Safety of Medicines is warning doctors that widespread use of the drug Clofibrate to prevent heart attacks is "potentially danger-

number of "para-military" sup-

same number are trained to use

# Professor jailed

Professor Derick Corcoran, who holds the chair of psychology at Glasgow University, was jailed for 18 months after pleading guilty to throwing a petrol bomb at a shop which sacked

## Sixth Briton

Ian McArthur was named as the sixth Briton who died in the ice which killed all 301 people board a Saudi airliner. Fire investigators have found two camping gas stoves in the olane's passenger cabin.

## Ripper fear

Fears that the Yorkshire Ripper may have struck again were raised after a woman's body was found in the grounds of magistrates' chairman Peter Hainsworth's house near Leeds

Lawyers in demo Hundreds of lawyers fled to the safety of Karachi's court com-

#### pound as police used rifle butts, batons and tear gas to break up their anti-Government march.

Waddell 'well' David British diplomat Reddaway exchanged written messages with jailed Anglican missionary Jean Waddell. He was not allowed to speak to her. She said she was well-treated, but needed more books.

## Keeper mauled

Brian Stocks, head keeper at club owner John Aspinall's private zoo in Kent, died after

being mauled by a tigress. Habit-forming

Religious orders in Spain, tlarmed by a drop in numbers, ire advertising in ecclesiastical nagazines for recruits. The shortage is most acute in con-

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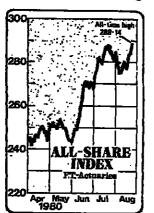
lothercare

CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated)

# All-share index at record level

 EQUITIES: electricals and stores led a rise of 1 per cent in the FT-Actuaries All-share index to 289.14, the highest



Israel vowed to retain Arab Since the first compilation in East Jerusalem forever despite a UN security council resolution made steady progress to close condemning its formal annexa-

• GILTS made modest headway, finishing 0.05 up at 69.18. Page 28

• GOLD rose \$9 an ounce in London to close at \$643.5.

• STERLING firmed slightly to close at \$2.3700 (\$2.3685). Its trade-weighted index rose to 75.6 (75.5). DOLLAR drifted in late trading to DM 1.7945 (DM 1.7965). Its trade-weighted index closed unchanged at 84.7.

• WALL STREET was up 7.51 before the close to 952.82. Page 26

• GEC and VICKERS have accepted £95m compensation Police units claim
for shareholdings in nationalised British Aircraft Corporation (Holdings), but may press

port units, according to the . HARVARD SECURITIES has magazine New Society. About issued a writ against the Coun-one in 10 officers are now cil of the Stock Exchange specially riot trained and the claiming damages of up to £2m.

**Back Page**  LIQUIDATORS have been called into Northern Offshore, Transport and Trading, the UK Page 20

• IMPORTS of domestic appliances rose by a third in the first half of this lear. UK manufacturers' deliveries fell by 19 per cent. Page 6

 SCOTCH WHISKY clear ances for the home market fell 72 per cent in May to the lowest level since 1965. Page 6; Distillers annual report, Page 18; Lex, Back Page.

• RICHARD ELLIS, London agents, have been instructed to find tenants for a new 30-storey China. Page 7

• ROAN Consolidated Mines is raising a \$30m eurocredit backed by the U.S. and Zambia

to finance copper and cobalt mining in Zambia. Page 22

● BL CARS' hourly paid workers will seek an across the board pay increase of 20 per cent in November. Page 6 **■ JAPANESE MOTOR** industry

threatened legal action against a 25 per cent U.S. tariff on small truck cabs and chassis. Page 4

• LLOYDS BANK announced lower minimum mortgage loans and cheaper rates between £10,000 and £20,000. Page 5

 BUNDESBANK is to make more than DM 5.5bn (£1.3bn) of extra liquidity permanently available to the West German banking system. Back Page

BARCLAYS BANK reported first half pre-tax profit down £4.3m on the second half of last year to £279.1m. Page 18; Lex.

ROYAL DUTCH/SHELL second quarter net profit was f680m (F710m) making a first half total of £1.4bn, up £70m. Page 20; Lex, Back Page

Alistate Expln. ..... 98 + 8 Ashton Mining .... 160 + 12 Ayer Hitam ..... 370 + 30

Grootylei 400 + 37
Otter Expin. 82 + 8
Poseidon 238 + 12
President Steyn 211 + 1

Rustenburg Plat. ... 260 + 10

Tanks ...... 347 + 9

Westward, Dawes 26 - 6 LASMO 680 - 20 Roan Cons 170 - 20

Whim Creek ...

ek ...... 96 + 6 FALLS:

362 - 6

# Union reform issue halts Polish bid to settle strikes

BY CHRISTOPHER BOBINSKI IN GDANSK

THE POLISH authorities attempts to negotiate with individual plants in the strike-bound Gdansk region appeared to have foundered last night over the Government's refusal to give firm guarantees that it would reform the official trade union organisation.

Mr. Tadeusz Pyka, a deputy premier who has been conduct-ing negotiations with delegates from some of the striking plants in the Baltic coastal region, was replaced yesterday by a more senior deputy premier, Mr. Miecyslav Jagielski, after signs that he had been prepared to offer the strikers concessions going well beyond what the Communist Party leadership is willing to contemplate.

But after the failure both of Mr. Pyka's attempts at media-tion and of the televised appeal to the strikers by Mr. Edward Gierek, the Communist Party leader, there were indications that the plenum of the party's central committee, its highest workers will be discussed.

Earlier this week an official commission headed by Mr. Pyka conducted talks in Gdansk with delegates from 17 striking plants in a move designed to undermine the inter-factory strike committee (MKS) which is co-ordinating the strike action on behalf of over 300 factories

BY SUE CAMERON

CRUDE OIL stocks outside the

Communist bloc are at a record

5bn barrels—enough to last for

100 days, according to Mr Peter

Baxendell, chairman of "Shell"

arm of the Royal Dutch/Shell

conference in London yester-day, admitted demand for oil

products such as heating oil,

fuel oil and petrochemical feed-

stocks had declined "rapidly" by 5 per cent in the first half of this year compared with the

same period last year. The drop

in demand over the period had

been particularly marked in the

UK-at about 12 per cent-be-

cause of the number of power

stations switching from fuel oil

He stressed that the major oil

companies were "reluctant" to reduce their crude purchases—

in spite of the weakness of the market for refined products.

They were worried that, if they

ended their contracts with the producing countries now, they

might not be able to revive

them in the event of another

shortage of crude supplies.

to coal.

But Mr. Baxendell, at a Press

have refused to talk to the MKS, which they consider does not represent striking workers.

But terms negotiated by Mr. Pyka's commission with the 17 plants were partially rejected by the Government and most of the plants involved then withdrew from the talks.

The Pykn talks produced a far-reaching set of economic concessions, including wage increases, regular cost of living increases and markedly higher pesnions for old people.

On the central issue of inde-Mr. Pyka pledged that changes would be introduced at the Trade Union Congress in November. Until then, the "strike committees would remain in being pending the acceptance of a new trade union constitution which would ensure them a real influence on working-class prob-

Government, which proposed decision-making body, will hold that "after a return to work, the Gdanck MKS. The arrests could a meeting by the end of this week at which fresh policies opted into the existing trade to forestall criticism that he has aimed at mollifying the striking union councils and this will ensure them an influence on working-class problems."

This formula, which lacks the guarantees the strikers regarded as necessary to make them credible, shows that the authorities are still not willing to undertake serious negotiations on the crucial issue in the strike in Gdansk and enterprises. The authorities whether the foundation of an

Oil stocks 'at record 5bn

There was concern in the oil

industry over the future production policies of members of

the Organisation of Petroleum

Exporting Countries (OPEC)

particularly Saudi Arabia. The

volume of Saudi crude was

pected that OPEC members

Crude price rises, Page 5 World oil markets, Page 16 Shell results, Page 20

Lex, Back Page

would try to agree common

price levels when they meet in November in Baghdad. Saudi

Arabia might then decide to cut

its crude production by 1m

OPEC members-or even non-

could lead to fears among con- on the sumers that crude shortages 1979.

OPEC members-might also de-

might develop. Such fears could

the market began to be really

anxious about supplies.

Mr. Baxendell said it was ex-

quite critical."

barrels' as demand falls

independent trade union movement can be laid in Poland.

After his arrival in Gdansk. Mr. Jagielski in a radio broad-

cast invited the strikers for talks, in which he would explain why certain political demands were impossible to fulfil." But yesterday there was no sign that any delegation was prepared to risk breaking solidarity with the MKS, which has demanded to be recognised by the authorities, and to start talks with the Goverriment.

In an apparent change of tac-tics, the authorities have begun pendent trade union activity, to refer openly to the strike in the mass media. The ecenomic cost of the stoppages is being stressed in an attempt to turn public opinion against the strikers.

The authorities plainly hope to put the responsibility for the strike on this small group, which has in the past collected information on strike actions. This was not acceptable to the Some of its members have been playing an important role in the set up in 1976.

In Gdansk, the MKS did not formally protest at the detentions, but Mr. Lech Walesa, a strike leader, told a crowded hell of applauding delegates that "we must not allow the authorities to destroy KOR. That would be a misunderstanding."

warsaw pact exercises, Page

The Royal Dutch/Shell group

itself suffered a £30m drop in

its reported net income during

the second quarter of this year

compared with the same period

in 1979. Reported net income

for the quarter was £680m as

against £710m last year After

adjustments for currency gains

-£90m-and for stock profits-

£150m—the underlying net

income for the second quarter

Figures from Shell yesterday

illustrate the fall in demand for

oil products. In the first six

months of this year the Royal

Dutch/Shell group sold 4.365m barrels of oil products a day-

10 per cent less than the 4.853m

The group's sales of oil pro-

ducts in the second quarter of

on the April to June sales of

pared with the first half of

In the first half of 1980 sales

of 1980 was £440m.

# All figures seasonally adjusted Source: Department of Industry Industry invests

Investment and Stocks manufacturing, distributive and service industries

shipping

£m at constant 1975 prices

Change in stocks

industries.

special factors.

have been

figures.

Elhn to £2bn.

further £500m due from sales

April and June was higher than

expected, and many stock-brokers believe the 1980-81

forecast will be exceeded by

This is after taking account

both the various special

Borrowing between

estimate By Peter Riddell, Economics

Correspondent

5% over

CAPITAL INVESTMENT by industry has recently been substantially higher than pre-viously estimated, and so far this year spending has held

up better than expected. Department of Industry figures published yesterday show that in the last 18 months volume of capital investment by manufacturing. distributive and service industries has been roughly 5 per cent higher than previously thought. This follows the inclusion of revised data. Spending has remained

relatively strong even compared with last year's record level. Investment in both the first and second quarters of this year was just under £2.4bn at constant 1975 prices and seasonally adjusted. This was only I per cent less than the average level in the second half of last year.

Capital investment tends to lag behind changes in the economic cycle, and spending could fall much more sharply in the next 18 months. The Confederation of British Industry has only recently become more gloomy about the investment outlook.

The upward revision of the tigures for the last couple of years is significant in view of profitability of low industry.

The volume of industrial

investment rose by 31 per cent from 1976 to 1979, despite the cuts in British Steel's spending. This contrasts with the Continued on Back Page

£ in New York

Aug. 20 Previous Spot \$2.3690.3700 \$2.5685.3585 1.53-1.48 dis 1.40.1.35 dis 1.53-1.30 dis 1.15-3.10 dis 1.2 months 7.00-5.95 dis 6.75-6.60 dis

#### record £4.5bn PUBLIC SECTOR borrowing was a record £4.47bn in the first three months of the financial Public Sector year. This is more than half the -Borrowing £8.5bn total forecast for the whole of 1980-81. The high level of borrowing reflects the combination of a surge in spending by local authorities and the Defence Ministry, and a squeeze on the financial position of nationalised Whitehall officials were quick

to say yesterday that the April to June figures provide no guide to the prospects for 1980-81 as a 1977 1978 1979 1980 whole, and that there are several In particular, officials said that, while the figures are Analysts remain concerned about overspending by local authorities. They also believe adjusted for seasonal variations in tax payments, they do not take into account the rising the deepening recession will trend of Petroleum Revenue reduce the revenue of nationalised industries and push Tax, the £500m refund on contributions to the EEC Budget due later in 1980-81, and a up their borrowing while reduc-

ing central Government tax revenue and boosting spending of public sector assets. on social security benefits. Moreover, excise revenue from wine and spirit sales may This prospect creates a considerable dilemma for the Government in view of its determination to reduce the exceptionally depressed after the Budget. Consequently, officials believe medium-term path of public sector borrowing. It comes just after the publication of figures it is far too early to assess the outcome for the full year. City analysts are less inclined showing that monetary growth to be charitable about the

is also well above target. The detailed figures show that public corporations, mainly nationalised industries, borrowed £1.01bn, seasonally adjusted, between April and June, compared with a total of £2.55km in 1050.80 Permits and public compared with a total of £2.76bn in 1979-80. Borrowing factors and Whitehall hopes that by local authorities was £578m defence spending, which is in the quarter, compared with £400m above target, will be an exceptional £1.62bn in the reduced in line with the revised previous three months and a total of £2.94bn in 1979-80.

# Dutch 'most heavily taxed'

lands and Sweden are among the most heavily taxed in the West, a new Inland Revenue study of personal taxation levels suggests.

In a sample of eight nations. the French appear to get off most lightly, while the UK and West Germany are midway

down the league table. The comparisons, based on 1980-81 tax rates, include social security contributions but complete guide to the relative

burdens imposed by national exchequers.

n Workers' earnii France, West Germany, Italy, Japan, the Netherlands, Sweden the U.S. and the UK. It shows that, an average production worker, married, but without children, pays direct taxes at an effective rate of 26 per cent in the UK, compared with 33 and 34 per cent in Sweden and the Netherlands respectively, but only 15 per

Comparisons based on the ignore indirect and corporate equivalent purchasing power in taxation, and are thereofre not a smaller sample of countries of the same person earning £6,000 a year show the Nether-lands still on top at 31 per cent, The review is based mainly with the UK and West Germany on multiples of the Average next on 26 per cent

South African Airways

Where no one's a stranger.

# Reed Paper to cut 700 jobs

BY WILLIAM HALL

Britain's biggest paper-maker. is axeing 700 jobs at its main UK site at Aylesford, Kent. The cuts come only two days after Bowater, the other big pro-ducer, announced closure of its Ellesmere Port mill, Cheshire, with loss of 1,600 jobs.

Reed's Aylesford complex is the biggest paper and packaging manufacturing site in caused by Europe. Closure of three of materials Europe. Closure of three of materials and, especially, nine paper-making machines energy, and by low selling will reduce output by 40 per prices. He said that on energy

REED PAPER and Board (UK), cent to about 190,000 tonnes a costs the UK appeared at an year, and cut numbers employed on paper and packaging manufacture to 1,000.

> redundancies. Mr. Jonathan Benn, chairman and chief executive of Reed Paper and Board (UK), said yesterday that the problem was caused by high costs of raw

almost unique disadvantage." "The impact of these factors has been particularly severe at Aylesford Paper Mills, where nwsprint and multi-ply liners The last major cuts were in 1971, when there were 1,000 account for 180,000 tonnes of the mill's 320,000 tonnes annual

barrels a day or more. Other in the same period in 1979.

cide to reduce their output. This this year were 7 per cent down

boost prices.

But Shell believed that kerosenes by 7.3 per cent, gas/crude output could be cut by diesel oils by 15 per cent and

at least 2m barrels a day before fuel oils by 13 per cent com-

In the first three months of its current financial year Reed International's UK trading profits dropped from £21.5m to Continued on Back Page Meriden Johs lost, Page 5

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# Navy threat raises fears of ports violence

THE THREAT of a violent con-Barre, the Prime Minister, that present proposals to the Governhe would use the navy if necessary to ensure oil supplies.

Fishermens' representatives day. and local authorities were meeting at Martigues, near Mar-last Wednesday with M. Joel Le seilles, to discuss a possible settlement which would lead the blockade of the key oil terminal at Fos-sur-Mer, to be lifted.

mens' dispute continued to pre-vent fery traffic between France intended to divide the fisher-

ment. These may then go to the French Cabinet next Wednes-

Theule, the Transport Minister. M. Bernard Dubrevil, president of the Central Sea Fishing Committe, said he was sceptical In Channel ports, the fisher- about the regional meetings. The fishem-

Prefects of French coast men want a 29 per cent reduc- Saint Nazaire on the Atlantic economy frontation still hung over the regions are due to hold talks on tion in the price they pay for French ports dispute yesterday Saturday on the specific prob- diesel oil, which is already subafter a warning by M. Raymond lems of local fishermen to sidised, offset by an increase in the price for other users.

> M. Le Theule, meanwhile, has written to Mr. Finn Olav Gundelach, the EEC Agriculture After an abortive meeting and Fisheries Commissioner, asking for work on a European fisheries policy to be speeded up.

The dispute yesterday was blocking access to oil terminals near Marseilles, the starting point of a pipeline network to central and eastern France and to parts of West Germany. Supplies to the Donges refinery near

coast have also been affected. France has oil stocks equivalent to about 100 days' supply, but after 10 days' cut-off, it would be delving into its strategic

The conflict's political implications have grown further as a result of the threat of naval intervention. Unions have condemned the move, which the Communist party called "scan-dalous." M. Jacques Blanc, secretary-general of President Giscard d'Estaing's small Republican party, hit back by

The biggest French shipping line. Compagnie Generale Maritime, yesterday threatened to send all its ships to foreign ports. It said it had lost FFr 4m-6m (£400,000-£600,000) so far in the conflict.

Fishermen lifted blockade temporarily in several ports yesterday to allow yachtsmen to pass through. In Roscoff, Brittany, a car ferry was allowed to dock after two days' wait. Rouen in Normandy was freed after three ships broke the

Editorial comment, Page 16

# French and Danes may delay EEC fish deal

BY MARGARET VAN HATTEM IN BRUSSELS

THE plight of the thousands of British holidaymakers stranded in France's northern fishing ports may have helped convince the British public far more effectively than any ministerial wrangling in Brussels, that Britain's are not the only fishermen with problems.

When negotiations for an EEC common fisheries policy resume this autumn, the prob-lems of the French and Danish fishing industries may prove an even greater obstacle to pro-gress than the British intransigence which has stalled negotiations for almost four years.

The British may even find themselves in the opposite camp, fighting with the European Commission to forge a common policy that will conserve and manage depleted stocks within the EEC's 200-mile limit and end the

virtual free-for-all. Time is beginning to run out for the British. Their pre-ferential rights in British coastal waters expire at the end of 1982, and they hope to get some form of preference written into the agreement. The

**Greeks** hit

at foreign

companies

MULTINATIONAL companies

ecoming the target of bomb

attacks by extreme Left-wing groups which claim the com-

panies make excessive profits.

Two home-made bombs ex-

ploded in Salonica yesterday,

damaging branch offices of

Citibank and Shell and a British

"Revolutionary Left" has claimed responsibility for seven bombings in Athens last month, most of them directed against

large industrial concerns, including Siemens, of West Germany. Leaflets were distributed

saying the attacks were in protest against the high cost of electricity and other basic

The opposition daily news-

An organisation calling itself

Greece are increasingly

rights for all EEC fishermen right up to Britain's beaches. Britain has one of the two biggest fishing industries in the Community and has more to British Minister, rejected this as gain from an equitable common

gain from an equitable common too low. But he gave no sup-policy and more to lose from a port to British fishermen's The French fishermen's blockade of the Channel ports is a clear sign that the recent softer UK

line over a common EEC policy is no guarantee

that a solution is near

free-for-all. There are already signs that the Government is taking a softer line and quietly dropping some of its more

extreme claims. British ministers and officials have long argued that since 60 per cent of the Community's fish are caught in British waters. British fishermen ought to be allocated a comparable propor-

tion of the EEC's catch. This argument has not been heard in recent months and it is even conceded that, since fish swim across boundaries, those caught in British waters cannot all be considered loyal subjects

At the last ministerial council

programme to help its hard-hit

textile industry modernise and

increase exports over the next

three years. The textile sector bas declined more rapidly in

the Netherlands than in any

other European country in

limited success.

BY CHARLES BATCHELOR IN AMSTERDAM

nounced a Fl 30m (£6.5m) aid tional and new markets, accord-

The Government will provide of Fl 60,000 (£13,000). Else-

Fl 25.6m (£5.5m) to the cotton, where similar subsidies only

demands for a 45 per cent share, and was privately reported to consider the claim unreasonable. Two days after the meeting, he told fishermen in Newcastle that a common fisheries policy would be very good for Britain in the

The other main British de-mands which have blocked previous attempts to negotiate a measures and access to British coastal waters.

Several of the conservation measures demanded by Britain, such as the ban on North Sea herring catches, have been incorporated into EEC policy.

THE NETHERLANDS has an improve prospects in both tradi- or improving quality.

Mr. Gijs Van Aardenne.

categories :--

ing to the Economics Minister,

Aid will be available in five

The Government will pay half

the wage and social security

costs and business expenses of

recent years, with eralier aid textile company export man- ● The modification or demo-programmes achieving only agers for the first 12 months' lition of buildings to diversify

European Court of Justice. But Brussels officials see room for compromise on some of these measures: others, they suggest, may have been forced on the Government by its hard-line Labour predecessor, in which case the court rulings supply an

alibi for their abandonment. The question of access may prove more tricky. Britain wants exclusive rights for its fishermen up to 12 miles from the coast and preferential rights up to 50 miles. Just how preferential these rights should be is not being spelled out.

These questions will be taken

These questions will be taken up when talks resume next month but the absence of hard line statements recently, seen in the context of progress of Britain's budgetary dispute with its EEC partners, has fuelled hopes in Brussels that the British fisheries problem may be close to resolution.

That this alone may not be enough to produce an agreeincreasingly clear. "The British incorporated into EEC policy. are talking more realistically Others, such as the extension these days," comments one

• The same percentage will

be paid to meet the cost of

removing equipment to achieve

• The scheme will meet 40

per cent of costs at trade fairs

This aid will be reduced if

any company is already eligible

diversification

employment, up to a maximum production or improve quality.

meeting in Luxembourg in July, of the Norway pout box, where senior Brussels official. "The Britain was offered quotas equal industrial fishing is banned, real problem in the next six to 31 per cent of the main fish have been ruled illegal by the months is likely to be the Danes. Any common policy is likely to curb their activities. So far, they have not needed to be obstructive—the British have done their work for them—but they may soon be forced into the open.

The Danes have a industrial fishing industry dependent on the North Sea. It provides many jobs but, critics claim, depletes breeding stocks.
The Danes are anxious to

preserve their present de facto share end will be fighting hard alongside the Irish, French and

What matters most to fishermen, and hence to the Ministers who represent them, is the amount of fish they will be able to catch over the next season. The commission may even be tempted to raise the limit on the total catch if this helps Ministers reconcile their constituents to the final agreement. For as the French blockaders have demonstrated in the past fortnight, a rebellious fishing fleet is a force to be reckoned

Dutch earmark £6.5m aid for textile industry will not qualify for aid. The

> latest aid programme. A recent Government review of the Dutch textile industry showed that output levels and employment have fallen more quickly than in any other Euro-

> Government has asked the Euro-

pean Commission to approve the

Output fell by 15 per cent between 1970 and 1976, compared with a 7 per cent average increase in the EEC as a whole. FI 4.4m (£950,000) to the wool Subsidy of 20 per cent for which meet more than half the between 1973 and 1978 comsector to cover the three years investment aimed at diversify-cost of investments. Spending pared with a 22 per cent decline up to the end of 1982, to ing a company's product range of less than FI 10.000 (£2,100) in the EEC.

# East bloc manoeuvres 'a crucial

By Leslie Colitt In Berlin

EAST GERMANY'S Defence Minister, General Heinz Hoffmann, has told East German tank troops that the 40,000-man Warsaw pact manoeuvres set for the first part of September in his country will take place in a "complicated and tense situation" and will contribute toward "defend-ing Socialism."

The Government news

agency yesterday emphasised that "anti Socialist ele-ments" had taken over the Polish strike movement and were endeavouring to under-mine Poland's social order. His speech came on the 12th anniversary of the Russian invasion of Czecho-

slovakla ending the "Prague Spring" of 1968 which also Spring " involved workers calls for independent unions and free speech. named "Comradeship in Arms 80" were originally

designed to be the Warsaw Pact's reply to NATO's "Autumn Forge" exercises and will run parallel to them. Since they were planned, however, Poland, whose army is scheduled to participate, has been engulied by a political crisis. Gen. Hoffmann told the

tank troops that the manoeuvres will be a "crucial test in the class struggle." The motto of the exercise, he said, is: "United for peace and socialism—don't give the enemy a chance."

military exercises, The which will involve amphibian naval units from the Soviet Union, Poland and East Germany, will be the largest the Pact has held since 1970. All the Warsaw Pact countries will contribute troops except Romania, which refuses to allow other troops on its territory. It will send only staff officers to East Germany. Whether the Soviet Union will transport its troops by sea to the manoeuvres or by rail through Poland, is not

The strike wave in Poland has moved to within six miles of the East German border, shutting down factories, docks and public transport in the port city of Szczecin on the Oder River. A steady stream of Poles is crossing into East Germany to buy food, petrol and other neces-

Polish union support Support for Polish workers in their courageous and in-spiring struggle" has been affirmed by the International Energy and General Workers' Unions (ICEF), John Wicks

# Italian balance of payments shows £424m July surplus

BY RUPERT CORNWELL IN ROME

last month, the first time it has been in the black since October,

A July surplus is traditional here as foreign tourism revenues reach their summer peak But last month's L855bn (£424m) far exceeds the L264bn surplus in the same month of 1979. It reduces the total deficit for this year to L3,361bn (£1.67bn) from the L4,216bn shortfall between January and

Italy's foreign holdings in July Other major European currenwas almost double the payments cies also moved ahead, surplus, thanks to an additional It is pointed out here that the improvement in the Bank of L843bn inflow through the commercial banking system, as Italian corporations continued

Bank pointed out that the pay- to defend the exchange rate.

ITALY'S BALANCE of pay-ments deficit had been more ments showed a heavy surplus than covered so far by such borrowings abroad, which reached L3,684bn in the first seven months. Italy's high rating as a borrower and the present liquidity on the Euromarkets suggest that the trend is unlikely to change

The payments figures, none the less, came too late to pre-vent a further slide of the lira yesterday, after a week of sporadic pressure and rumours of a devaluation. The dellar rose three points to L854 at the In fact, the L1,698bn overall official fixing, while sterling hit another record at L2,022.4

lira still has not reached his floor in the European monetary system and that the non-gold their heavy borrowing pro-component of the country's rammes reserves provide almost In a statement last night the L19.000bn potential ammunition

# IAEA report 'favourable' to Basque nuclear plant

BY ROBERT GRAHAM IN MADRID

Energy Agency has given a generally favourable report on controversial Lemoniz nuclear power station being built in the Basque country. The head of the Basque government, Sr. Carlos Garaicoechea, said that although the report contained some criticisms of the plant, these could be resolved easily. The report is being circulated to members of the Basque Parliament and Sr. Garaicoechea said it will be published.

Since work started on the plant, ten miles from the centre of Bilbao, in 1972, it has been a constant source of conflict. There have been frequent demonstrations and protests, and terrorist attacks by ETA, the militant Basque separatist organisation, have caused over £9m worth of damage to the installation, which is being built

THE INTERNATIONAL Atomic by the private utility, Iberduero. The newly elected Basque Nationalist party government has sought to head off controversy. Previously, the party fully endorsed the idea of a referendum on whether Lemoniz should be allowed to operate. But more recently, it has argued that nothing should be done until the contents of the IAEA report were known. The party's leadership realises that Madrid would be reluctant to concede a referendum and even more reluctant to see Lemoniz paralysed.

Iberduero has spent more than Pta 90bn (£520m) on the project and the first of the two 930 MW units is due to start pany has warned that there would be a serious national 104-10 LEN power shortage if the project were halted.

# North Sea gas emergency

A DRILLING rig working in stopped after about two hours : had to be moved hastily from encountered an unexpected gas can be resumed pocket. The rig Norskald briefly Statoil; the nat developed a marked list during cern, said the well head would righted and none of the 71-man is drilling for Statoil in the

Norway's part of the North Sea and emergency routines were called off. It is not clear, how its site yesterday after the drill ever, when work on the well

Statoil, the national oil concrew was injudicated so-called golden block of the The flow of the state of the Norwegian North Sea.

The experiment in non-Socialist government has reached a critical stage, writes William Dullforce in Stockholm

# Swedish economic policy under fire from all sides

paper Eleftherotipia, mean-while, has alleged that 2,000 undercover agents are working in Greece for the U.S. Central | had prised the Social Democrats Intelligence Agency. It named Colonel Everett Marder, military attache at the U.S. embassy averted an economic crisis. here, as the CIA's station chief Since then-August, 1977-its for the Balkans and the Middle economic actions have been hesitant, stamped with com-East. The newspaper added that Col. Marder had replaced promise, and unconvincing. Richard Welch, the CIA station

This year, after a traumatic national referendum in March chief assassinated in Athens in December, 1975. It also listed 141 U.S. comnuclear power, Thorbjörn Fälldin, the Prime panies with offices in Greece Minister, concentrated on proving his Government's comand accused them of helping The bombs and Press allega-In May, Sweden experienced the biggest industrial dispute in tions come at a time of considerable anti-U.S. sentiment its history, with 10 days of among Greeks, who are in-censed at what they consider strikes and lockouts followed by Washington's inability to curb a dockers' strike.

Turkish intrasigence over the Cyprus issue and its prevention On Tuesday, Mr. Fälldin appeared at a Press conference of Greece's return to the military wing of NATO increase in value added tax. He

LESS THAN a year after was without the usual accom-activity, and his desire to reach Sweden's non-Socialist coalition paniment of his colleagues from an understanding with the had prised the Social Democrats the Conservative Party, headed Opposition which could deflect devalued the krona, stimulated Liberal Party, headed by Mr. confrontation between emthe export industries and Ola Ullsten. His announcement, ployers and unions early next translated into retail terms, year. means that Swedes will be paying VAT of 23.45 per cent, the highest in Europe, on nearly 60 neither. Mr. Gunnar Nilsson, per cent of the goods and services they consume.

> three-party coalition's action has been criticised from all sides, including both industry and the unions.

described it as a purely defensive move. "Where are the offensive components to bring about the industrial revival which revival which everybody recognises to be a compelling necessity?" the daily demanded.

Mr. Curt Nicolin, industrialist and chairman of the Swedish Employers Association, com-mented in similar vein. He was then asked whether he doubted the Government's ability to solve the country's economic problems. " Let me say that it appears to be very impressed by the fact that it has a majority of only one in the (parliament)," replied.

The credibility of Mr. Falldin's coalition is at a very low ebb. The same could be said of the effort to inject non-Socialist principles into Swedish society, despite the fact that a majority of Swedes opposed socialism at the last two general

The 1.9 per cent VAT increase represents a compromise with the Social Democrat opposition. The Government's original intention had been to raise VAT by 2.9 per cent.

It will now supplement the lower tax increase by raising excise duties on spirits, tobacco and possibly petroleum products, at the Opposition's suggestion. It has also acceded to the Social Democrats' demand for an extraordinary session of the Riksdan next week to discuss the

Mr. Fälldin is forn between his stated long-term aim of improving the conditions for private enterprise and industrial

by Mr. Gösta Bohman, and the another potentially disastrous

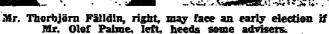
With his latest mini-package chairman of the blue-collar union federation, has already Far from being regarded as reiterated his opposition to any a resolute attempt to correct VAT increase, which he claims imbalances in the economy, the eats away the income improvements his members won in May.

To be fair to Mr. Fälldin, he did emphasise that the increases in indirect taxes were only part Svenska Dagbladet, a staunch of broader stabilisation prochampion of the non-Socialists, gramme planned by the Government. In October it will submit proposals to cut public spending by SKr 7bn (£710m).

But industry remains sceptical whether the savings planned will be translated into stronger incentives for investment and industrial expansion. Its scenticism is based on the Government's record over the past four years, and its fumbling efforts so far this year to put together a coherent policy.

The development of the external payments balance this year forced the Government to act to stem domestic demand. The 1980 finance plan, published last December, estimated that the payments deficit would widen from SKr 8bn in 1979 to just over SKr 12bn this year.





In the revised finance plan, of between 1 and 2 per cent in issued in April, the deficit was its area during the second half forecast to reach SKr 16.6bn, of the year, while Swedish and it is now generally assumed domestic demand was so that the final outcome will be to rise by 4.5 per cent. closer to Skr 20hn. The growing partly to higher oil prices.

domestic demand was scheduled

The Swedish economy traditionally reacts late to international business cycles, but the lag forecast for the second half Explaining the need to various unusually large, the proposition out that the Organisapect of facing even a mild world recession with such a heavy deficit clearly current account deficit clearly

# ing a decline in total demand called for action. **Engineering sector profits rise**

BY OUR STOCKHOLM CORRESPONDENT

SWEDEN'S engineering companies improved their earnings substantially during 1979 for the first time in six years, but the return on assets in many companies was still lower than the interest they were paying on their debts. It was worrying that so many companies had to meet the recession with seriously weakened finances. Mr. Aake Nordlander, managing director of the Swedish Engineer-

ing Employers' Association

commented vesterday, when

presenting the Association's

annual survey of engineering

profitability.

The average Swedish engineering company posted a return on equity before tax of 8.2 per cent last year, well ahead of the 3.2 per cent average recorded in 1978 but still below the levels reached in the 1972-75 period. Bigger companies with more than 500 employees performed best. averaging 8.6 per cent on equity, while the smallest avoraged 2.6 per cent.

The highest earnings, 11.8 per cent, were made by the transport brauch, followed by the machinery manufacturers with 11 per cent.

The earnings spread is wide. One-third of the employees in the industry worked for companies with a return of over 15 per cent, while one in seven employees worked for a company which ran at a loss in 1979. The widespread strikes and

lockouts in the spring cost Swedish industry some Skr 6.5hn (£657m) in lost production, the Statistical Central Bureau reported. Without the industrial dispute output would have risen by 10-12 per cent, according to the bureau.

During the first six months the lished figures are accurate, pro- reduced. vides no evidence of any strong speculative movement of money.

accelerate to a monthly rate of SKr 2.8bn in July. The deficit has been covered so far this year almost exclusively by state foreign borrowing, which amounted to the equivalent of around SKr 14bn by the end of

Sweden's foreign debt is not excessive by current standards a net of SKr 26bn or 6 per cent of gross national product at the end of 1979—and the state debt office has had no problems in raising foreign loans. But a prospective addition of SKr 20bn during 1980 and a doubling of the state's foreign debt to around SKr 40bn this year are causes for concern.

The Opposition has chal-lenged Mr. Fälldin's assertion that domestic demand would rise by 4.5 per cent in the second half. Another most point is the extent to which the wage settlement at the end of the strikes in May can be blamed for the anticipated high level of domes-tic demand, since the settlement effect has still to come through in the figures.

It is expected to add 11-12 per cent to nominal incomes. The employers accepted it only after an appeal from the Government to end the dispute which was threatening to throw the country into chaos. Compared with this year's settlements in Britain and Italy it is not especially high, but Swedish industry's labour costs will increase faster than those of some of its major

What gives the Government additional and real reason to regarded as unpopular (the next worry is that the May settlement expires at the end of the year. The negotiating drama which lasted from November until its eruption into strikes in April and May will have to be repeated next winter and next spring. The situation is a political minefield for Mr. Fälldin.

Most Swedish economists agree that domestic demand is too high, that industrial investment is too low and is picking

Mr. Falldin also talked of an up too slowly, and that both accelerating currency outflow. private and public consumption outflow was SKr 11bn-11.5bn, strated in the current-account roughly in line with the current deficit and the SKr 55bn deficit account deficit and, if the pub- on the 1980 budget-need to be

The idea that Sweden is living beyond its means is now -The outflow did appear to almost axiomatic. So is the argument that resolute government action is needed to at least prepare the ground for indus trial expansion. In this context, the coalition's 1.9 per cent increase in VAT even when supplemented by higher excise duties, is a drop in the ocean.

The pressure is on Mr. Falldin to act decisively. But at the same time, as Mr. Nicolin sug same time, as mr. 191001111 by the gested, he appears obsessed by the gested, he appears obsessed by the convert the narrowness of the Government's majority, and must have the gravest suspicions about the intentions of the unions and the Social Democrat opposition. with whom he has been tentatively and so far fruitlessly the first seeking to reach an understand क ing on economic policy.

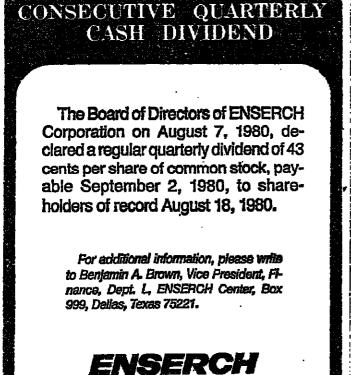
During the last industrial conflict, the unions insisted that their members purchasing power had to be sustained an accomplishment of the conflict their members. aim which even then libed with the need to curb consumption. Union leaders have warned that the even the modest rises in indirect is taxes now proposed will stiffen . their attitudes in the next wage

Although Mr. Olof Palme, the Although an Opposition leader, has not man his own position clear, some Social Democrat and union Social Democrat and union the bring section of the bring s leaders are undoubtedly keen to the exploit the situation to bring down Mr. Falldin's Government and to force an election.

They have to achieve this before next spring at the very latest, because an election in the second half of Sweden's short, three-year parliamentary term is general election is scheduled for September 1982). Sweden's experiment with a non-Socialist Administration has reached 2

most critical stage.

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145th

**Changes pending** 

as China sets

**Congress date** 

BY TONY WALKER IN PEKING

Premier.
A brief announcement by

The new Premier will be

Guofeng, who also holds the position of chairman of the Chinese Communist Party.

tive Vice-Premier in charge of the day-to-day affairs of state. He was formerly party chief in

The Congress can be expected to endorse new regulations

regarding taxes to be levied on

joint ventures and also a scale

of personal income taxes for

foreigners working in China. Xinbua reported last night

that the Congress's standing

committee had been briefed by

Gu Ming, Deputy Director of Legislative Affairs, on "a draft law concerning income tax on

joint ventures and individual

also briefed on the setting-up

of special economic zones in the coastal provinces of Guangdong

and Fujian. These special zones

have been set up to attract

The standing committee was

Sichuan Province.

Mr. Zhao is at present execu-

nce or JOWS.



The standing committee's meeting was presided over by Ye Jianying, its chairman. Our Peking correspondent

income taxes."

foreign investment.

gress, China's Parliament, will open on August 30, it was announced yesterday.

The "session" will see the appointment of a new Premier and the retirement of a number of veteran officials, including Deng Kiaoping, the Senior Vice-Xinhua, the Chinese news agency, said the date had been set by the Congress standing committee now meeting in Zhao Ziyang, 61, replacing Hua

Administration upgraded relations with Taiwan, it would be 'detrimental" to Sino-American relations, Huang Hua, China's Foreign Minister, said yesterday.

He was speaking before private talks with Mr. George Bush, the Republican Vice-Presidential nominee. Mr. Bush arrived in Peking on Wednesday for talks with Chinese officials. On the eve of his arrival, Mr. Ronald Reagan, the Republican Presidential candidate repeated his proposal for a change in the status of U.S.-Taiwan relations.

This has deeply angared Peking. The Communist Party newspaper, the People's Daily, has strongly criticised Mr. Reagan.

To coincide with Mr. Bush's visit. Xinhua, the official Chinese newsagency, has run a number of stories quoting prominent American Democrats, criticising adds: If a U.S. Republican the Republican position.

# Israel defies UN censure of united Jerusalem

BY DAVID LENNON IN TEL AVIV

Foreign Minister, summoned Mr. Samuel Lewis, the U.S.

Ambassador, from Tel Aviv to

Jerusalem, to criticise America's

There were convincing reasons, the Minister told him, for the U.S. to have opposed the

Nevertheless, there is nothing

in the resolution contradicting stated U.S. policy on the status of the city. The U.S. apparently abstained, rather than voted for

The Israeli Foreign Ministry said that the UN decision called

on those countries with embassies in Jerusalem to move

them out of the city. Chile yesterday became the fourth

rountry to announce that it will

move its embassy to Tel Aviv. Noting this, an Israeli

Foreign Ministry official said that the critical UN vote was the first one which was actually

it, for electoral reasons.

resolution.

JERUSALEM is the capital of a sovereign Israel and is a united city which will never again be torn apart, the Israeli Israel passed the special Foreign Ministry defiantly Jerusalem Law, Venezuela, declared yesterday. It rejected Uruguay and Ecuador have also their would move their as "unjust and unilateral" the said they would move their UN Security Council resolution missions. Nine other countries, which censured Israel for pro-including Holland, have still to claiming all of the city as its announce their position.

busy putting what appeared to Mr. Yltzhak Shamir, Israel's be the finishing touches to a new office building in Arab east Jerusalem, to which Mr. Menahem Begin, Israel's Prime failure to veto the resolution. Minister, is expected to move soon, as a further assertion of Israeli control over all of the

> Alan Mackie reports from Cairo: Egypt yesterday warmly welcomed the UN Security Council resolution, which Mr. Butros Ghali, Egypt's Minister of State for Foreign Affairs, described as positive and

> constructive. President Sadat, meanwhile, has sent a message to Mr. Begin expressing the hope that the present difficulties in the deadlocked talks on autonomy for the Arab inhabitants of the West Bank and Gaza Strip may

He has also asked local newspapers to tone down attacks on Mr. Begin.

#### Malaysia 'has oil reserves of 'kills 9 crew' 1.8bn barrels'

By Wong Sulong in Kuala Lumpur PETRONAS, the Malaysian oil has revised the proven oil reserves upwards from 1.4bn to 1.8bn

This is the second time this year that Malaysian oil re-serves had been revised. Last April, Petronas raised the country's reserves estimate from 1bn to 1.4bn barrels.

The new oil figures were disclosed in a paper presented by a senior Petronas official at an energy conference in Kuala

Lumpur yesterday. At the present rate of production of 280,000 b/d, the reserves would be exhausted in 18 years, while Malaysia would be a net importer of oil

#### S. Korean army endorses Chun

SEOUL—Gen. Chun Doo-Hwan, certain to be named President of South Korea President of South Rorea next week, was strongly endorsed for the post by Rorean military leaders yesterday.

A statement by ex-President Choi Kyu-Hah, who resigned last Saturday, said only "the new leader should have the support of all the nation as well as the military.

nation as well as the military, and Gen. Chun has that."

Park Choong - Hoon, the acting Prime Minister, is Acting President until next week's electoral college meet-

Chun has held total power in all but name since he led a brief military coup on December 12.

# Russian nuclear submarine fire

By Richard C. Hanson in Tokyo NINE CREW members of a Soviet nuclear-powered sub-marine are reported to have died in a fire which left the vessel crippled in international waters near the southern tip of

Okinawa, Japan, early yester

According to reports reaching Tokyo, the Russian submarine was of the Echo-1 class, a 5,000 tonne ship built, in the early 1980s. It is believed to have been either on patrol in the area — which is used frequently for U.S. naval operations — or en route to the Indian Ocean.

There have been no signs so far of leaks of radioactivity from the submarine's nuclear reactor, and no indication of reactor, and no indication of what may have caused the fire. The Russians declined an offer of assistance from Japan, and quickly evacuated many of the crew (including the dead and injured) to a Soviet ship which came to the rescue.

News of the accident first came from a British liquid natural gas (LNG) tanker, the Gari, which responded to a distress call and approached the submarine 100 miles off Cape Kiyan on the southern tip of the main Okinawan island.

Russian officers boarded the Gari and used its radio to report the fire to the Russian Embassy in Tokyo. Japanese maritime safety officials picked up word of nine crew members dead and three injured, in radio communications between the submarine and the approaching

Russian ship. About 55 members of the crew were reported to have been transferred to the rescue ship

# South Africa gears itself for war

BY BERNARD SIMON IN JOHANNESBURG AND SIMON HENDERSON IN LONDON

THE South African Government guerrillas infiltrating Namibia in recent years has been deve-loping a "total strategy" to meet a "total onslaught"—the seemingly relemiless advance of communism, unfriendly black nationalist governments, and coolness from its one-time allies

The strategy covers all cle-nents of national policy, but it has a military heart. South Africa is determined that no potential enemy will be able to challenge its military strength.

In building up South Africa's armed forces, Pretoria has faced increasingly tight and wellpoliced sanctions against foreign arms suppliers. Even France, which ignored earlier United Nations resolutions, joined the Security Council's 1977 mandatory ban on arms sales, cancel-ling orders for four warships. Since then, several of South Africa's clandestine arms suppliers in Europe and North America have been charged with breaking the embargo.

As a result, South Africa has given top priority to developing its own armaments industry. In less than two decades, South Africa has become the largest arms producer in the southern hemisphere, surpassing even Brazil and Australia, and the tenth-biggest this side of the

Pretoria now possesses a daunting panoply with which to

and other neighbouring states, battles with African armies, or limited naval harassment from a hostile power such as the Soviet Union.

According to the authorita-tive Military Balance, pub-lished by the International Institute of Strategic Studies in London, South Africa can build: advanced aircraft, including engines, armaments and avio-

version of laminated armour;

hulls for patrol boats, although the engines and armaments have to be imported. Much of this is done under argeements arranged before the United Nations embargo, but there are claims that production could continue if the licences were abrogated. The institute judged that South Africa had made significant pro-

gress in its manufacturing capa-bility over the past 10 years. Specific items now produced South Africa include the French Mirage aircraft, the local version of the Italian Miacchi jet training aircraft. French-designed Panhard armoured cars, Israeli-designed missile boats, a derivative of the French Crotale surface-toair missile, air-to-air missiles. Town areas.

this expansion of military capability is the state-owned Armaments Development Corporation (Armscor). It is not shy about its existence — its flag flies boldly over its headquarters complex in Pretoria. But, like many aspects of South Africa's defence and economic planning. information about it is strictly

controlled. The Armscor group either manufactures, or buys from mics; manufactures, or output

helicopters: local or foreign contractors,
chassis and engines for whatever items the South

Africa defence forces need.

The group was formed in 1968. In the 10 years to 1978, turnover soared from R32m (£17.8m) to R979m (£543.4m). Its allocation in this year's defence budget is about R1,200m, and it is scheduled to raise an additional R100m on domestic capital markets in 1980. According to a senior Armscor executive. it is probably the count growing industry. country's fastest-

About 23,000 people work for Armscor and its eight manu- are probably similar-both facturing subsidiaries, com-nations are having to fight pared with 15,000 three years insurgents. But the details of pared with 15,000 three years ago. The subsidiaries, which operate under such innocuous guarded names as Lyttleton Engineering countries. Works and Pretoria Metal Pressings, own 14 factories, mostly in the Johannesburg and Cape

The body at the centre of The Armscor executive says: its expansion of military capa- "We never duplicate any manufacturing facility in South Africa." Some 800 local companies are Armscor suppliers, providing goods from tents and uniforms to specialised steels and electronics.

Clues to some of South Africa's suppliers have been made public. For instance, Armscor officials and senior defence force officers have been decorated by the Taiwan Government. Several South American Governments have also publicly honoured South Africa's military leaders. The United Nations and others have claimed that companies in Italy, Israel and West Germany, among others, have sold military equipment to Pretoria.

Israel particularly valuable link. First for its experience, because it has also been building up an indigenous arms industry to guard against the uncertainty of foreign supplies. because the weapons it goes for the Israeli link are a closely secret

Information about clandestine purchases in the West is harder to come by, but, according to foreign reports. Armscor bought



pany whose factory straddles military threat all the time," the U.S.-Canadian border in one Armscor executive said.

long-range artillery piece nov manufactured in South Africa. The U.S. branch of the company has been heavily fined by a U.S. court. Last week, Space Research was also heavily fined in Montreal on seven counts relating to contravention of the arms embargo by its Canadian

section. The local arms industry has relied heavily on adapting manufacturing licences obtained from abroad before the arms Armscor's philosophy is that these licences are "recipes" for equipment suited to South Africa. "We paid for them and we have every right to continue with production." the corporation's chairman has been quoted as saying.

Along the way, South Africa has also become a substantial arms exporter, but the authorities refuse to name their customers. An amendment this year to the Armaments Development and Production Act keeps all exports of weapons and their components a closely guarded secret. The Guerrillas of Polisario, fighting for the independence of the former Spanish Sahara, have captured armoured cars with Afrikaans writing on them from the Moroccan forces.

The implication is that South

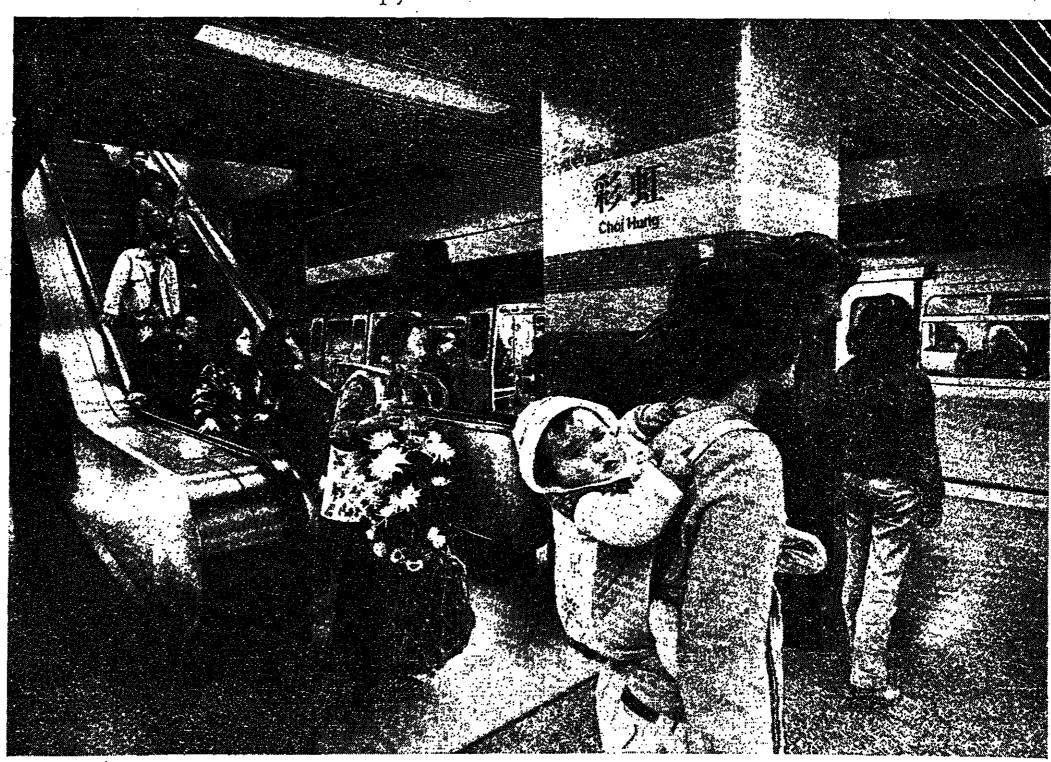
# Pretoria now possesses a air missie, air-to-air management of aunting panophy with which to artillery pieces, infantry These companies mainly a well-conceased 20 per cent version of a companies are in the mid-1970s in Space apparently helped to develop Africa's arms and a well-conceased 20 per cent version. Counter threats to its security, weapons and a wide range of assemble components supplied share in the mid-1970s in Space apparently helped to develop Africa's arms and a whole they be riots at home. These companies mainly a well-conceased 20 per cent version apparently helped to develop Africa's arms and a whole they be riots at home. These companies mainly a well-conceased 20 per cent version apparently helped to develop Africa's arms and a whole they be riots at home. These companies mainly a well-conceased 20 per cent version apparently helped to develop Africa's arms and a whole they be riots at home. These companies mainly a well-conceased 20 per cent version apparently helped to develop Africa's arms and a whole they be riots at home. These companies mainly a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped to develop Africa's arms and a well-conceased 20 per cent version apparently helped 20 per cent version apparently helped 20 per cent version app BARCLAYS BANK HELPS OT GET THINGS MOVING ON HONG KONG'S NEW METRO.

The Otis Elevator Company of United Technologies Corporation has installed its world famous elevators and escalators for Hong Kong's first 'Metro,' the new mass transit rail network which carries 500,000 people each day on this densely populated island.

For this project, Barclays Bank International in New York and Hong Kong smoothed the way through the problems of multi-currency financing. We came up with an international credit package, created specifically for Otis, which included protection against currency fluctuations.

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We help most of the world's successful international companies. Somewhere there is a market where we can help you.





# Railway deregulation bill founders in Congress

BY IAN HARGREAVES IN NEW YORK

THE CARTER Administration's appear to have collapsed.

Backers of the so-called rail deregulation legislation in the Representatives announced that they were federal controls of one kind or abandoning their bill because another. of the insistence of a Republican-led group

Congressmen on an amendment which would, according to the deregulators, have destroyed the spirit of the bill.

A spokesman for Congress man James Florio, a Democrat from New Jersey and floor manager for the bill, said vesterday that he was "extremely pessimistic" about any revival of the bill in the present Congress.
Government and industry

officials, however, expressed the hope that a compromise could still be reached in time to relaunch a bill next month.

Senators

press tax

cut plan

By Our Washington Correspondent

THE SENATE Finance Committee, flonting Administration disapproval and inaction

in the Bouse of Representa-

tives, is forging ahead with

its version of a 1981 tax cut —\$22bn (£9.3bn) in reduc-

tions for individuals, faster

investment write-offs for busi-

ness, and a \$2.5bn capital

gains tax cut, voted yester-day. The reduction in taxes

Democrats and Republicans

on the committee are nushing

shead fast to try to create a

'bandwagon" for tax cuts

that might jolt the House and

possibly the Administration into following suit.

committee's veteran Demo-

cratic chairman, has in effect set today as a deadline for the committee to agree on the

main elements of a tax cut package. It's particular rea-

son for haste is that he plans to leave Washington to cam-

paign for re-election in

the Government seem un-

moved by the Senate commit-

tee's tactics.

So far, other branches of

Senator Russel Long, the

efforts to lift decades of limita- law, which had already been passed in the Senate, has been tions on the pricing and passed in the Senate, has been flexibility of U.S. railways defeated it is the first failure of President Carter's sweeping programme to restore open market pressures to sectors of U.S. business long shackled by

> The spirit of deregulation has already had dramatic consequences for the airline and road haulage industries and promises to lift many of the restrictions in the banking industry.

> The deregulation Bill for the railways came unstuck on an amendment which would have had the effect of keeping Government price control for the railways' main cargo, coal.

Supporters of the amendment argued that many power companies were wholly dependent upon rail transport and that if result of poor track mainten the railway companies were ance.

If the move to change the given a chance to hoist rates, consumers would be forced to pay much more for their elec-

> The amendment would have required federal intervention on prices where a railway's sales revenue from hauling a particular commodity exceeded costs associated with the cargo by more than 1.6 to 1. The Bill proposed a formula of 2:1, which an acceptable level of control on their pricing freedom, especially on coal.

> The deregulators claim that the railway industry can only be revitalised within the private sector if profit margins are inстеаsed, in order to provide more funds for investment. The investment is needed both to improve services and to reverse the industry's poor safety record, which is itself mainly a

# U.S. developing fighter 'undetectable on radar'

BY OUR WASHINGTON CORRESPONDENT

THE U.S. has developed and secretly tested in Nevada over tually invisible to Soviet radar, according to an authoritative report yesterday in the Armed

The Defence Department did defences undetected.

Several prototypes havé been built, but two are reported to the past two years a fighter air-craft that is designed to be vir-of the aircraft's peculiar shape. Nonetheless, if flaws in the new technology are ironed out defence planners believe it Forces Journal, a private publi- could be adapted to the design of a new strategic bomber. Some Congressional leaders

not comment on the report have already been briefed on which said the aircraft was the project, and it is quite pos-being built by Lockheed Cor-sible that the Carter Adminis-poration and was known in tration is not unhappy to have military circles as "the stealthy news of it leak out during the aircrafi." Apparently con-Presidential campaign. Mr. toured to reflect fewest radar Ronald Reagan, the Republican waves and coated with special nominee, has sharply criticised absorbent paint, the aircraft is Mr. Carter for cancelling in 1977 designed to penetrate Soviet air plans for the B-1 bomber to replace the ageing B-52.

# **Nuclear reactor licensed**

BY OUR WASHINGTON CORRESPONDENT

Commission has granted a of the NRC's moratorium on operating licence to start a new reactor, the first such permit given in the U.S. since the Three Mile Island accident in Pennsylvania in March 1979.

The Administration's "economic renewal" programme, due to he announced by the President in the next 10 days will contain more modest taxthe TVA's power generation is nuclear-generated energy.

THE NUCLEAR Regulatory behind schedule partly because Virginia power company an new licences since the accident.

Reactor safety was the focus of the President's Kemeny Commission, which issued its recommendations last year. But the emphasis in the political debate ania in March 1979. about nuclear power has this The Commission was yester- year switched back to the longday considering granting a term problem of nuclear waste second operating licence for a disposal, while both President reactor owned by the Tennessee Carter and Mr. Ronald Reagan, Valley Authority. Like many who are contesting the election, authorities around the country, are agreed on the need for

# Billy Carter 'did not try to lobby'

BY DAVID BUCHAN IN WASHINGTON

took the stand before a special he had never tried to influence his brother, the President, or any U.S. official, on behalf of the Libyans from whom he has borrowed money. Mr. Carter told the nine

senators of the panel that from his first trip to Libva in 1978. he made it clear that he was not a vehicle through which Libya could affect U.S. policy." I see no allegation that any-

one committed a crime and no indication that the Department of Justice treated me with favour," the President's younger brother said. The issue had arisen as to whether Mr. Billy Carter had been tipped off by ter as a Libyan agent last upon himself. "But I refuse to means of livelihood," he said.

prosecution under laws that bar of foreign regimes.

star witness of this week's hear- whacko . cauciis room once the scene of the Watergate investigations in 1974. But if the crowd of reporters and spectators yesterday expected any immediate revelations. they were disappointed.

But after Mr. Carter the younger read a 27-page statement asserting his innocence, the Senate committee went into private session to hear new

Mr. Carter acknowledged he

MR BILLY CARTER yesterday month, thus avoiding criminal conform to an image that a lot of people thought a President's Senate committee to assert that clandestine lobbying on behalf brother should adopt," he said. The hearings would show, he Mr. Carter, in a three-piece went on, that "Billy Carter is suit with cowboy boots, was the not a buffoon, a boob or a ings, held in the marble Senate citizen with uncommon family problems."

> The President's brother has been much criticised for taking \$220,000 from Libya. But he said yesterday that much of his income from speaking engagements, commercial endorsements, and the like had dried up because of his unpopular links with Libya.

"I truly believe that the Libyan people with whom I deal felt personaly responsible Administration officials to regis- had brought most of his troubles for the fact that I had lost my

# **Argentina** signs **Brazil** nuclear deal

BRASILIA—Argentina has agreed to supply 240 tons of reactor grade uranium fuel to Brazil as part of a supplemental nuclear accord intended to signal an end to the traditional rivalries between South America's two most powerful countries.

The accord was signed late Wednesday by nuclear energy officials of both nations, coinciding with Argentine President Jorge Videla's visit of friendship to Argentina's Northern, Portuguese-speak ing neighbour.

r. Videla and President Joac Figueiredo presided at formal ceremonies as the military-backed Governments of both nations said they would share information and technological resources in the development of nuclear energy. The agree-ments are in addition to a broad-based nuclear accord signed by the countries in May, when Sr. Figueiredo made a visit to Buenos Aires.

The Argentine shipment of nuclear material is scheduled to begin in 1981, foreign ministry officials said. Brazil would repay what is being described as a loan two years later by equal shipments of nuclear material to Argentina, officials said.

Argentina is more advanced than Brazil in its nuclear programme, with a 370,000 kW reactor supplying elec-tricity since 1975. Brazil has eight nuclear power plants either under construction or planned, but none have been put on line. Robert Lindley adds from

Buenos Aires: Vice-Admiral Carlos Castro Madero, the president of Ai National Atomic Argentina's mic Energy Commission, said that one the agreements signed by the two countries "fore-saw the possibility that Brazil could provide some heavy component for Atucha Two. Argentina's third nuclear power plant, about to go into production. a component which could not be manufactured in Argentina. As for the 240 tons of uranium,

an aide said that it would be natural uranium and would be lent to Brazil and that Brazil would return it with interest, which could either be in uranium or in foreign

# Dacca-Paris energy accord

DACCA - Bangladesh will sign a nuclear agreement with Paris on August 29 for talks with French President Giscard Shamsul Huq sold yesterday the agreement will be "an umbrella agreement under which France will provide assistance for its nuclear energy development."

Bangladesh has plans to set up a 250 megawatt nuclear power plant at Roopur in northern Bangladesh. Mr. Huq said since Bangladesh had signed the non-proliferation treaty and was publicly committed to peaceful use of nuclear energy, there was no reaso to fear that Bangladesh would produce nuclear weapons.

Malaysia water project The Malaysian Government plans to spend M\$1.4bn (£274m) on water supply projects be-tween 1981 and 1985 as part of the Fourth Malaysia Plan. This is more than double the amount spent during the five-year Third Malaysia Plan which is now drawing to an end, agencies report from Kuala Lumpur.

# Japan bid to reverse U.S. truck duty

BY RICHARD C. HANSON IN TOKYO

tion of a 25 per cent tariff on imports to the U.S. of small truck cabs and chassis, said yes- U.S. Treasury dates back to the sion in its own motor industry, terday it would take legal steps to overturn the decision. The government, meanwhile, is moving to resolve the dispute under the provisions of the General Agreement on Tariffs and Trade (GATT).

truck cab/chassis imports, which until this week were allowed to and, as such, will enter into enter the U.S. under a 4 per talks with the U.S. under the cent tariff applicable to motor rules set by the GATT. parts. The Japanese have for several years built up their sales

trade dispute. The Japanese makers view the are taking steps under U.S. Toyota and Nissan issued separate statements saying their U.S. subsidiaries would contest the reclassification of the light customs law to complain and sidiary, which manufactures small truck backs for final truck backs for final assembly in the U.S. Both lieves the U.S. decision runs con-

Japaxese officials have sought over the past few months to perof light trucks in the U.S. under suade the U.S. to either leave

The 25 per cent tariff slapped ment, under strong political on light trucks this week by the pressure because of the recesearly 1960s when it was used to refused, despite concessions won retaliate against European from the Japanese earlier this (mostly German) imports in a year on opening up their own

market to car imports. Toyota said that it would have higher tariff rate as illegal, and to consider layoffs or a possible closure, at its California subtrary to the spirit of the GATT, threatened serious damage to the dominant position they hold in the small truck market in the U.S.

David Buchan adds from Washington: Japan has in recent months shipped small an understanding with U.S. the small truck tariff as it was, trucks into the U.S. at a record authorities dating back to 1973 or, if there must be an increase, annual rate of 400,000 in an

THE JAPANESE motor in which allowed them to import to keep the tariff to a more apparent bid to beat the now-dustry, angered by the imposi- unassembled trucks as parts. moderate level. The U.S. Govern- effective higher U.S. tariffs, effective higher U.S. tariffs, according to a senior trade official here.

Last year, Japan exported 280,000 light trucks to the U.S. worth \$1.5bn (\$633m). The trucks are shipped in two parts. But because the U.S. motor industry has complained that bolting the two parts—a cab chassis and a flat bed—are the work of a matter of minutes, the U.S. Administration has reclassified the imports as complete trucks for which the tariff is 25 per cent.

Mr. Robert Hormats, the deputy U.S. trade negotiator, said the U.S. might negotiate a reduction in the new tariff, but that would require Japanese companies to voluntarily restrict their exports and open up their own market to U.S. products.

**Foreigners** 

Irish plants

By Stewart Dalby in Dublin

AT WHAT is psychologically

a good moment, Mr. Desmon O'Malley, Ireland's Ministe

for Industry, Commerce and

Tourism, has announced that five overseas companies are to

set up manufacturing plans in Cork and Kerry white could produce almost 1,016

In conjunction with fre-land's Industrial Development Authority (IDA) the com-panies should start field

projects in the next few

Apple Computers of Call-fornia is to manufacture

personal computers and could employ 724 people. Schaeff of

West Germany plans to create 110 jobs in Killarney, the first

Irish factory to manufacture

exeavators and shovel loaders.

Poret, of France, plans to

employ 90 people and manu-

facture a range of document

protection covers. A small new industry, Nola-Tech is to set up an electronics sale

assembly plant at Dromo-league in Cork. This could provide 25 new jobs.

The Minister's amount

ment has been made at a time

cern over rising unemploy-ment in Ireland. Most recent

statistics show that more than 100,000 people are unem-ployed—nearly 10 per cent. In late 1978 the Government

managed to push the jobless

The IDA is the main

agency for attracting overs-

seas companies into Ireland.

of incentives, including

the added attraction that com-

panies entering before next

January do not have to pay tax on exports. From 1981

there will be a standard rate

The IDA is not so much

of 10 per cent corporation tax.

concerned with the actual

amount of foreign investment

grapts of assistance. There is

total down to 8 per cent.

to set up

# Barter plan in Swiss Rapier deal

BY JOHN WICKS IN ZURICH

COMPENSATION orders for tially Swiss industry are foreseen in connection with the planned sale to the country's army of British "Rapier" anti-aircraft missiles. The "Rapier" contract is to come before the ment at Emmen would place Berne Parliament later this orders for Swiss production year and supplies could start

ness to take part in a purchase and the British Ministry of well as civil engineering programme which would par Defence would place additional services.

offset the deliveries. The British Ministry side the "Rapier" contract. of Defence is supporting this plan and is to promote business with Swiss companies.

The Federal aircraft establish-

under licence of "Rapier' parts. while British Aerospace would The manufacturer of the contract some work out directly "Rapier" system, British Aeroto SHwiss suppliers. At the space, has expressed its readisame time, BHritish Aerospace

British orders with Swiss industry out-

Total compensation value could equal about 50 per cent of that of British Aerospace deliveries, 30 per cent to be ac-counted for by direct participation in the contract and 20 per cent by outside offset orders. The latter would include Swiss metals, machinery, apparatus, instruments and watches, as

# Iran establishes import centres

BY OUR FOREIGN STAFF

IRAN IS pushing ahead with on the free market. the establishment this week of import centres for clothing and wood and paper as part of the trade, beginning with key secmove to nationalise foreign trade.

An import centre for steel has already been established and a \$7.5m contract signed with Sweden. Japanese companies in Iran, who supplied 650,000 tons of steel last year, now say that they have ceased exports because of sanctions. action would lead to a collapse This has contributed to the of the existing domestic market. current steel shortage in Iran which has led to high prices bazaar have bitterly attacked goods in circulation in Iran.

The Government plans to nationalise all Iran's foreign

tors such as wood and paper where there is a severe shortage. Answering criticism over failure to act earlier Mr. Reza Sadr, the Commerce Minister, said the delay was due to a

lack of qualified personnel and the danger that precipitate action w ould lead to a collapse Traditional merchants in the

the takeover but the scheme still falls a long way short of complete trade nationalisation. It only covers importing and a small part of the distribution network. The Government's aim is to

reduce the role of the middleman in importing and control prices. The authorities also hope that state officials will be able to gain experience in importing, opening the way for a greater measure of state control in future. Imports now account for 70 per cent of all

# **UK exports to Holland rise 41%**

BY CHARLES BATCHELOR IN AMSTERDAM

BRITAIN achieved a comfort- showed a surplus of £145.4m. Taking the foodstuffs sector with the Netherlands in the £321.2m last year. France during President first half of 1980 compared with Ziaur Rahman's brief visit to a large deficit in the same period of last year. It ran large surpluses particularly in the dairy produce, chemicals and oil and oil product sectors.

British exports rose 41 per cent in the first six months of the year to £1.93bn fob while Dutch exports were only 6 per cent higher at £1.78bn cif. in the Hague. British trade £28.5m.

SPANISH EXPORTS to the UK

rose 31 per cent in the first

six months of the year to £487m.

At the same time, sales of

industry statistics released here.

trade between the two coun-

tries, especially in the past three

has come from exports of

Spanish goods to the UK.

This sharp increase under-

to Department of Trade and year.

The principal growth

British goods to Spain increased indications this could rise to 27 per cent to £409m, according over £150m by the end of the

lines the rapid expansion of clear balance — in the sale of

able surplus on its visible trade compared with a deficit of as a whole, excluding dairy The second quarter saw a tinued to sell substantially more strengthening of the trend

which developed in the first three months, when Britain recorded a small surplus of of £147.2m in the first 1979 quarter.

Britain exported £78.8m worth of dairy produce and eggs to the according to trade figures Netherlands, more than twice released by the British Embassy as much as Dutch exports of

In the early 1970s trade was

there was a £140m surplus in

Spain's favour, and on present

Indeed, there is only one

major area where Britain has a

been largely stimulated by slack domestic demand, and fre-

products, the Netherlands conto Britain. exports were £274.6m compared with British exports of £122,2m.

Britain is regularly in surplus £2.5m compared with a deficit in the chemical and oil sectors. a reversal of the position of a year or so ago. Chemical exports were £340.2m while Dutch exports were £286m. British oil and oil product exports were £566.6m compared with imports

The largest category of goods

year these sales were up 52 per

cent to £143m on the same

period in 1979. This is in part

accounted for by the sale of

On the UK side, the main

ment, including parts and com-

entering the country (although this is always welcome to help out the balance of payments) but with the num-**Anglo-Spanish trade expands** ber of jobs created. In the boom years of 1978 and 1979, the IDA managed to

promote 30,000 new jobs. This is extremely high considering the total workforce in Ireland is just 1.1m. Meanwhile, Tungsram, the

Hungarian electrical manufac-turer, has independently announced it is to build a light hulbs and fitting factory in County Cork in a £4.4m joint venture with its UK agents. J. J. Bustin.

This will be the first East European investment in Ireland. Production should start next August and, eventually,

Canute James, in Kingston and David Tonge in London, report on next week's United Nations special economic session in New York

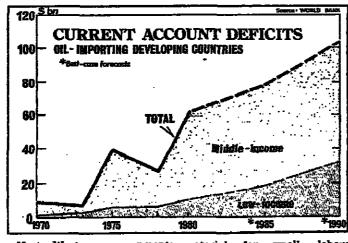
# Developing countries prepare to vent discontent with IMF

SLOWLY SPREADING content in many developing countries with the International Monetary Fund and the international monetary system in general will come to the fore next week, when the United Nations special session on economic issues convenes in New York.

Third World delegates are expected to advocate replacing the Fund with another monetary authority, or reforming it to meet what the poorer countries see as their particular problems.

For the past five years Third World countries have been asking for a "new international economic order." One aspect of this would be ensuring for them what they regard as fair and stabilised prices for their exports, with these prices indexed to keep pace with the prices of the goods they import

A second aspect is reform of the system of international itself. finance. In this area, the problems of dealing with long-term payments imbalances and recycling the capital surpluses of



Most Western governments believe the Fund's role should be enhanced, but many Third World countries agree with Mr. Rimmer de Vries, senior vicepresident of Morgan Guaranty of foreign expenditure and Trust: "Now the time may have come to reform the IMF

. In many developing countries, the maladies are similarmembers of the Organisation of marginally higher prices for Third World countries which Petroleum Exporting Countries their own exports. The results will provide delegates with the to the developing world has have been current-account basis of their arguments for International deficits and a growing inability reform. Developing countries Monetary Fund into the lime- to import such basics as food and medicine, as well as raw debt-ridden, lacking

for small material intensive industries.

fund's prescriptions should ideally be the answer to these problems: tight control management of internal demand leading to austerity in fiscal management, supported by other mechanisms like devaluations.

It is the apparent failure of increased payments for the Fund's policies to solve the imported energy, and static or economic problems of many the Fund's policies to solve the will argue that many economies, foreign

than growing, are too weak to withstand the pressures of the Fund's economic policies.

Fund in December, 1977, when the island's economy failed to meet the domestic assets criteria set by the Fund. A renegotiated \$400m three-year facility ran into trouble in December last year, when the island's foreign exchange debts just under \$500m exceeded by about \$11m the limit the Fund had set.

The island's Government has defended itself against charges of financial mismanagement by saving the Fund's conditions could not be met, at least in the short time it was given. The extent to which the Govxernment and the Fund disagreed was dramatically underlined in March when the Fund's suggestions for more budget cutbacks totalling J\$50m (£11.8m) were of both agreements have been rejected. The Government said 11,000 Government workers Third World governments say would have to be fired, which it claimed would cause social and economic chaos.

While the Fund says Jamaica had been lent generous sums. those advocating changes in the Fund have said the unsuitability of its approach to Third World problems is reflected in the Jamaican economy.

from 25 per cent to 31.5 per cent, the external debt has und's economic policies. moved from \$309m in 1973 to The case of Jamaica is likely \$1.3bn today, the debt servicing to be cited. A three-year facility burden this year is \$354m, 54 of \$75m was suspended by the per cent of foreign earnings. and the economy has declined by 16 per cent in the past seven years. Representatives of some Third

World countries are already speaking of indications of changes in the Fund's attitude to the poorer nations, and of suggestions that it may accept that standard and inflexible formulae for economic recovery which might work in stronger West European economies cannot be applied wholesale to lessdeveloped countries. They point, for example, to

recent agreements between the Fund and Guyana and Tanzania, after the latter made fundamental objections to the Fund's conditions. Although the details sketchy, representatives of other the Fund has asked less austerity of these two countries than it did of Jamaica. In Guyana's case, the Fund is

not only working closely with its sister organisation, the World Bank, but is also aiming to keep the country growing by putting called for a special United emphasis on "the supply

FLOW OF FUNDS FROM IMF TO OIL IMPORTING with the industrialised countries **DEVELOPING COUNTRIES** (in millions of Special Drawing Rights)

closely balanced, but last year exported by Spain to the UK is

chemical products. The dynamic category continues to be

growth of Spanish exports has machinery and transport equip-

slack domestic demand, and fre-quently goods are sold at cost. Spanish motor industry.

transport

Ford Fiestas.

Total flow
Of which: Drawings of IMF facilities
Allocations of SDRs
Contract Improvement Trust Fund Soft loans from Trust Fund Total repayments to IMF Net flow to oil-importing developing COUNTRIES 1 SDR equals !1.31.

Supplementary

imbalances.

serious

World countries which regard

theme as inadequate and, in

3,766.9 1,390.4 1,510.1 526.6 1,236.4 2,530.5 3.0619

on stimulating production and have the privileged position the said: It has also greatly expanded its lending. It no longer restricts dollar has had in the past 35 years. But there is no consenloans to about four times a

country's quota with the Fund, sus about whether the future and has made some major basis for an international moneadvances this year from the tary system should be a basket Financing of currencies, or a basket of commodities. There has even Facility, the so-called Witteveen Fund, which helps countries been a suggestion that there payments should be a return to the gold standard - though many These changes have not, howadvocates of change oppose this, ever, appeased many Third not least because of the advant-

Union and South Africa. some cases, cosmetic. At a recent conference in Arusha. likely to surface in New York is A second area of disaffection Tanzania, Third World countries over control of the Fund. The Arusha conference, for instance,

ages it would give the Soviet

in general and the United States in particular losing the dominant positions they have in the Fund. But even among Third World countries, there is no consensus as to the precise form, nature and role of this new monetary authority. The industrialised countries are likely to respond to the

Third World's request for monetary reform by suggesting that this should be discussed within the Fund and nowhere else. This is hardly likely to There is general agreement appease the Third World, and

that no single currency should as one African Finance Minister said: "The industrialised countries already know how we feel and suffer. What we would like now is for them to admit that the system is unfair to us and to start to do something about it." The alternative the argument runs, is that Third World economics could become even more harassed.

The African Minister says: "What we are asking for is not just for the benefit of the children and grandchildren of the developed world. Ours is not a ples to lower the standards of living in Europe or North America. It is a request that we emphasis on "the supply Nations conference on inter- saw Third World delegates call- improve the quality of life of it of the economy—that is national money and finance, ing for a more "democratically poorest people of the world." now make the first moves to improve the quality of life of the

هكذمن لأعرل

# New post for former NEB executive

2 2 1

By John Elliott, Industrial Editor MR. RICHARD MORRIS, who resigned from the deputy chair-manship of the National Enterprise Board during a row with the Government last November, has been appointed chairman and chief executive of Brown and Root UK, the Americanowned engineering concern.

He has also become a parttime industrial adviser to Barclays Bank, and retains a nonexecutive directorship of British Nuclear Fuels.

This means that the two fulltime Board members of the NEB, who suddenly lost their when the Board resigned last November over the Govern-ment's handling of Rolls-Royce, have re-established themselves in the business world.

Sir Leslie Murphy, the 64-year-old former chairman, has been appointed a non-executive



Mr. Richard Morris

director of both Schroders merchant bank and Simon Engineering. He has also become parttime chairman of Petroleum Economics, a firm of oil industry consultants.

Mr. Morris, 54, joined the NEB as full-time deputy chair-man in February, 1978 after 27 years with Courtaulds, where he was group technical director. But he did not return to the company when he left the NEB, where his jobs had included chairmanship of INMOS, the controversial microchip venture. Mr. Morris joined Brown and

Root as deputy chairman in His appointment as announced yes terday. His responsibilities cover the company's European

# Lloyds boost for home loans

LLOYDS BANK is to reduce its £2,000 up to £15,000 for council minimum mortgage loan from £15,000 to £10,000 on Septem-

In the most direct attack on traditional building society territory by a clearing bank. Lloyds said yesterday it would also lower its minimum house valuation figure from £20,000 to £15,000 and offer a cheaper rate of interest on loans between £10,000 and £20,000. This will be 2½ per cent over base rate (a current rate of 181 per cent), compared with 3 per cent over base for larger advances.

The Lloyds announcement follows a separate move in a Fred Crawley, deputy chief similar direction earlier this general manager of Lloyds Bank similar direction earlier this month by Williams and Glyn's Bank, a member of the Royal Bank of Scotland Group. Williams and Glyn's says it will

BY REG VAUGHAN

has fallen through.

Records, UK to form a new

home entertainment venture

However, Associated Com-

In a joint statement yester-

day RCA, part of the large U.S.

ATV Television and Classic

joint venture in the UK."

bank to move formally into house mortgages, the clearers now have a toehold in this

were largely identified with financing higher priced houses. The minimum loan at Barclays is still £15,000 while Midland and National Westminster are unlikely to accept applications for less than £20,000.

"The new lower figures are intended to appeal to younger and first-time house buyers," Mr. said. "We want to expand our services to home-makers and believe that the lower interest rates and our readiness to innoprovide loans of as little as vate will be welcomed.'

Lord Grade said that Preci-

distribution and manufacturing

companies which were condi-

tional on no change of owner-

It was planned that the new

company, to be owned 51 per cent by RCA and 49 per cent

by Associated Communications,

would manufacture, distribute

to have made available to the

narket. "Furthermore, the supply of Until yesterday, the banks and demand for mortgages seems should be able to get what they want at a cheaper price from the building societies," he said.

> Lloyds has lent about £37m to 1,250 housebuyers at an average of £32,000 a time since introducing mortgages at the beginning of last year. The bank has now committed a total of £58m for this purpose.
>
> Loans are normally consid-

E2,000 up to £15,000 for council house tenants wishing to buy their own properties.

Although Lloyds was the first bank to move formally into house mortgages, the clearers now have a toehold in this market.

Building Societies Association to 2} times the borrower's annual income. Repayment can be made either on a straight repayment or through an endowment policy with interest calculated on day-to-day basis.

Furthermore, the supply of day hecame the latest clearing day hecame the latest clearing. day became the latest clearing bank to join in the battle for savings with two schemes to be launched this autumn.

The first, called the High "We are probably more yield Deposit Scheme, will worried by the banks' recent efforts to attract depositors through new savings schemes."

The first, cared the first will be a first the first that the a rate of interest } per cent above the Bank's normal sevenday deposit rate.
The second, entitled Term

Deposit' Accounts, will give savers with £5,000 or more an interest rate which reflects the Loans are normally consid- longer than normal term and ered for up to 80 per cent of the higher amounts involved.

# Grade-RCA Records Report on Lloyd's slanted, says broker

PLANS to merge Lord Grade's were "unable to reach a satis-PARTS OF a major report into and disciplinary powers than the Associated Communications Cor. factory conclusion because of poration's loss-making Pye the status of agreements with market are "slanted too much in favour of the larger broking battalions," says a senior Lloyd's insurance broker. sion, which showed a loss of £43,000 in 1978-79, had a lot of

Mr. Nigel Kemble-Clarkson, managing director of Gault Armstrong and Kemble, one of the brokers involved in planning a possible strike insurance scheme for CBI members, made his criticisms public in the insurance trade journal Post Magazine, published yesterday.

for his argument. It is sug- able." gested that 20 to 30 Lloyd's brokers share his criticisms. Sir Henry Fisher and a work-

self-regulation in the Lloyd's existing 16-man ruling committee of Lloyd's. Mr. Kemble-Clarkson says it

is important that "the brokers' representatives on the council should, by some form of classification, be elected under categories which would ensure that the smaller and/or new brokers would have voting

"Otherwise, by numerical voting power alone, representa-tion in favour of the larger He claims substantial support organisations would be inevit-

He criticises the Fisher report's proposal that brokers should only be admitted to ing party recommended the Lloyd's if "an ultimate guarantee creation of a 25-strong council, is given by the ultimate holding with wider statutory, regulatory company."

# BSC 'coke mountain' undercutting **Coal Board**

THE British Steel Corporation is selling some of its large stock of surplus coke at prices below those of the National Coal Board.
In South Wales this week two train-loads of coke left

Port Talbot steelworks for the Avonmouth smelting-works of RTZ, which normally receives its coke from the Coal Board's Nantgarw plant near Cardiff.

The Coal Board and miners' leaders are concerned about the BSC's sales attempts. The board says that the surplus, board says that the surplus, accumulated in the steel strike, should be sold abroad. Mr. Emlyn Williams, South Wales president of the National Union of Mineworkers, said yesterday it was "disgraceful" that one nationalised industry should "disgraceful" that one nationalised industry should undermine another. Rail unions would be asked to

intervene.

BSC said that after the strike and production cuts the corporation had no alternative to disposal. At Port Talbot the "coke mountain" is believed to be of about 500.000 tonnes, worth about

The corporation refused to comment on reports that it was undercutting the NCB's coke price by as much as £14 a tonne. The Coal Board, however, thought that this figure was exaggerated.
The two train-loads of coke

for the RTZ smelter were the first part of a month's trial order.

A contract by BSC to take coke from the Coal Board's Nantgarw coke plant still has 18 months to run. This represents about a third of the works' reduced output. Its loss could cause closure of a pit employing 700 men.

# Limit Portuguese, urges wool group

exports, following its entry into the EEC, is urged by the Wool Textile Action Committee.

A period of five years at least, and possibly 10, is suggested. The committee, which represents industry trade unions and local authorities in West Yorkshire, claims that Portugal with its rapidly expanding textile and clothing industry, is a major

threat to the UK.
Britain already imports more than half Portugal's total clothing and textile exports to the EEC. Manufacturers in Yorkshire are particularly worried about the growth in Portuguese exports of suits and trousers products which directly affect demand from the wool textile industry's customers. Trouser imports from Portu-

245.000 last year.

In textiles and clothing, Por- of the EEC."

A PROLONGED transitional tugal has become Britain's period before Portugal is second biggest low-cost supplier, allowed tariff free access to the UK for its textile and clothing informal agreements limiting informal agreements limiting exports, and she enjoys a substantial surplus in her favour. Total Portuguese exports to Britain were £118m last year. while British exports to Portugal were £18m.

Exports from Britain face high tariff barriers to enter the Portuguese market and these are unlikely to be fully dismantled for some time after Portugal joins the EEC.

An attack on the barriers which the UK textile industry faces around the world, was made yesterday by Mr. Ian MacArthur, director of the British Textile Confederation, at a meeting in Roxburghshire. Brazil, he said, had tariffs up to 205 per cent and those in South Korea reached 80 per

cent. "There are high barriers gal rose from 1m in 1977 to in the developed world also; the 2.1m last year, capturing 19 per tariff on sweaters in the U.S., cent of the market. Suit imports for example, ranges from more vere up from 32,000 in 1977 to than double to four times the 45,000 last year.

# 300 Meriden jobs lost

460 workers redundant because of falling orders, particularly in the U.S., for its Triumph Bonneville machines.

The redundancies, effective next week, follow withdrawal of a takeover bid by Armstrong Equipment because of the Government's refusal to waive Meriden's £12m debts.

There is still no sign that the Government intends to liquidate the co-operative. The new staff-

THE MERIDEN motorcycle co- which Armstrong had proposed operative will make 300 of its to run the plant.

460 workers redundant because Nearly 200 workers will become redundant today at the

engineering company of Richard Garrett, Leiston, Suffolk. Receivers were called in to save the 200-year-old company three weeks ago. Redundancies this year have already totalled 130.

• More than 100 building contract workers at the Hartlepool chemical plant BTP Tioxide lose their jobs next week. Harrison and Mayer, of Stoke-

on-Trent, is to make 40 of its ing level is similar to that at 700 workers redundant today.

# Crude oil prices 'rose by up to 200% in 18 months'

merger plan dropped

munications is to go ahead in agreements with major record this area, and plans to expand companies which were condi-

records division with RCA third parties."

pressures for buyers—whether than 1m barrels a day compared international oil companies, with 1978.

chairman and managing directory is substantial increase in crude money as before the Iranian tor in succession to Mr. Bill production by members of the revolution—but on a reduced production by members of the revolution—but on a reduced m proportion of production.

and African interests. It is uncertainties, there have been crisis, OPEC production understood his salary is slightly and there still remain strong increased by an average of more pressures for buyers—whether than 1m barrels a day compared OPEC

# BY SUE CAMERON

The paper, entitled The Changing World of Oil Supply, says pressure on crude supplies has been maintained in site of tries can make as Organisation Exporting Countries.

"Because of the underlying

per cent from the end of 1978 to the middle of this year, according to a Shell briefing paper released yesterday.

The paper, entitled The increase their prices almost at will."
The paper says that as a

result, the oil producing coun-

In spite of last year's oil

# Stockbroker cleared of misconduct

BY STEWART DALBY IN DUBLIN

broker, has been cleared of mis- paper, the Sunday World. conduct by a Stock Exchange committee.

James Cummins, a former employee of the broker, that the cempany had been acting Briscoe by the Stock Exchange.

Cummins, who now lives in the article in court today. the comparation against the company in a letter. mittee said that after a compression of the company in a letter.

The company which also acts basis for taking disciplinary as a private stockbroker has action against the company or The committee was set up to sought to prevent publication any of the partners, investigate allegations by Mr. of an article based on informa. Mr. Cummins, was The paper has agreed to produce

and Briscoe, a Further letters have been ex-Government stock changed with the Dublin news- gained from interviews and documents, it could not find any

Mr. Cummins.was an authorised clerk with Butler and The allegations were made in April 1979. Mr. Cummins left the company in 1979 and joined

# Inland Revenue reviews direct tax impact on OECD incomes

BY TIM DICKSON

TAXPAYERS in the Netherlands and Sweden shoulder a bigger tax burden than taxpayers in other major countries. UK taxpayers are on about par with those in Germany but those in Japan, Italy and France. particular, escape more lightly.

These are among conclusions in a new Inland Revenue review of the impact of direct tax on employment incomes in eight OECD countries.

The review takes into ccount social security contributions, which are, in effect, a direct earnings-related tax in a different guise. But it ignores indirect and company taxes and is therefore not a complete guide to relative rates of international taxation.

As bases of comparison the Inland Revenue has used national incomes in sterling translated directly into foreign currencies; the more helpful multiples of wages earned by the Average Production Worker; and finally, an amount translated into the equivalent pur-chasing power. (The last two are shown in the table.)

The UK average production worker's wage used in the Revenue's calculations is £5,800 compared (in sterling terms) with £4,990 in Italy at the lower end of the scale and £8,320 in West Germany at the higher

tion worker in national income people on the same multiples, sons. At two times average pro- country and another.

Effective rates of income tax and social security contributions (married man without children)

Average Production Worker. n.a.=not available.

for instance, are unlikely to duction workers wage, the UK share the same characteristics marginal rate of tax and social share the same characteristics

None the less, this is cer-tainly a more useful approach than the simple translation of sterling amounts.

As the table shows, the averge production worker in the K, who is married and without children, pays en effective rates of tax are still lower than in most other compares favourably with the Netherlands, Sweden and Germany, though an average production worker in the U.S., Japan, Italy, Germany and France is left with proportionately more after tax income.

effective rates of tax are still lower than in most other countries but not by so much, while someone who is not the marrying kind would actually be best off in Japan.

One of the most interesting bases for comparison is the conversion of foreign currencies at a rate which reflects differences. ately more after tax income.

Someone earning four times an average production worker's pay in the UK will also be better off than the equivalent Retail Price Index, but for this

American. comparisons are the different positions of the average producat 11 to 2 times average earn- ratio of the cost of approxidistributions and the probable ings the UK does not come off mately the same basket of goods distortions of the multiples — badly in international compari- and services between one

of the average production security contributions for a worker. married person without children is lower than any other country except France.

Married Frenchmen, meanwhile, may be treated generously but those unattached do not fare quite so well. Their effective rates of tax are still

a rate which reflects differences in purchasing power.

purpose the Inland Revenue has

# 

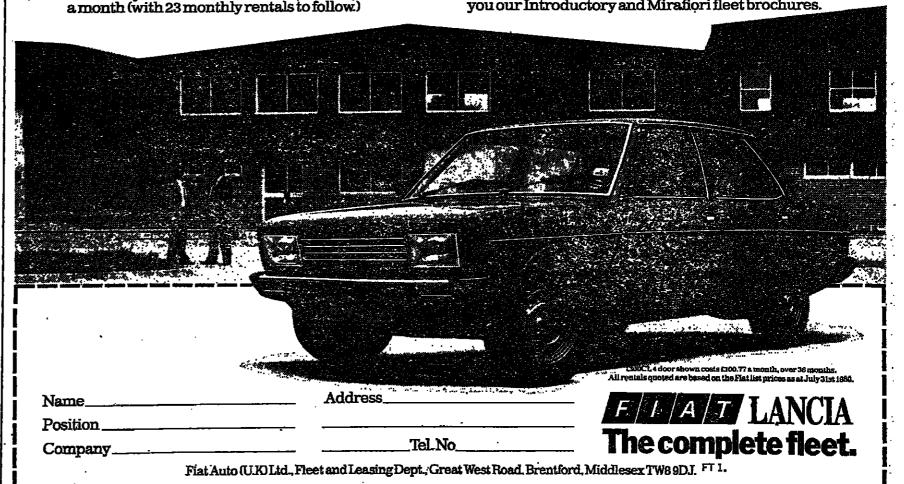
**Drive awaya** 

Lease a Fiat Mirafiori over three years before the end of 1980, put down in the point of the point, you'll be acquiring a strikingly individual acquiring a striking a acquiring a strikingly individual car, just one month's rental in advance (with 35 monthly only one monthly payment from a seven car range.

Each has the same high level

rentals to follow) and it will cost you as little as of £97.65 of standard equipment, including an £97.65 for a 1300CL 2-door, excluding VAT of £97.65 adjustable steering column, a stereo radio and, a 5 speed gearbox for smooth motorway cruising. However, included in the price is delivery, number Every Mirafiori also offers proven long term plates and one year's road fund licence. If you would prefer to lease a Mirafiori for 12 or 24 reliability, a 12 month warranty and major service intervals of 12,000 miles. months, rather than 36, we can arrange that too.

Taking the same 1300CL2-door as an example, a Finally, if you would rather buy a car outright, there's never been a better time to buy a Mirafiori. one year agreement would cost £151.38 a month lwith 11 monthly rentals to follow) and over two years £113.05 If you return this coupon to us, we will then send you our Introductory and Mirafiori fleet brochures.



# Imports of appliances soar

in the first six months of this producers' sales fall from £276m year while deliverles by UK to £253m.
manufacturers fell by 19 per The inc

lished by the Association of items like washing machines. Manufacturers of Domestic tumble driers, fridges and Electrical Appliances (AMDEA), freezers, so that the total numwill show that imports have ber of units sold has fallen by will show that imports have been than 1 per cent.

made considerable inroads into less than 1 per cent.

the IIK market this year. In the AMDEA is particularly continuous was the worst yet. first six months imports, cerned that East European appliances was the worst yet. measured by the number of units, rose to 47.6 per cent compared with 35.7 per cent in the currencies.

IMPORTS OF domestic In value terms imports rose and other European countries, appliances have risen by a third from £98m to £118m while UK sent evidence to the European

The increase in sales of small Figures, shortly to be pub- a fall in sales of more expensive with further evidence on

manufacturers are dumping in The number of units turers' figures compared with the UK in order to get hard delivered by UK manufacturers last year may be accounted for currencies. Last Friday was 22 per cent down while by last year's pre-Budget AMDEA, on behalf of the UK imports were 70 per cent higher spending boom.

Commission that East European vacuum cleaners were being sold in Europe at below domestic appliances has offset cost. It is likely to follow this

refrigerators and irons. Although June saw higher exports of white goods from UK manufacturers and a very sharp

and 40 per cent in June. Fridgefreezers and washing machines

According to AMDEA, some of the decline in UK manufac-

compared with the same month last year. Imports accounted for

52 per cent of units delivered.

delivered in June shows sales

tumbling to £38.2m from £51.8m

last year. But the imports of

white goods fell by between 25

An estimate of the value of UK manufacturers' goods

Jason Crisp examines the East European sales offensive

# Torrent threatens home producers

Prospects for the white goods industry have seldom looked
blacker and there is overcapacity throughout Europe.

But manufacturers of small

But manufacturers of small capacity throughout Europe.

But manufacturers of small domestic appliances like vacuum cleaners, irons and hair

driers have the most to fee as £15,30 would cost £27 to make the once small trickle of imports from Eastern Europe profit, according to AMDEA threatens to become a torrent. Mr. Chaim Schreiber, chairman of GEC-Schreiber, accuses the East Europeans of dumping. "It is just impossible to com-pete with their small appliances: we can't even buy the raw materials at the price they are exporting their finished pro-

The Association of Manufacturers of Domestic Appliances (AMDEA) with the Department of Trade's support, last week filed a complaint to the European Commission on dumping of vacuum cleaners by East European countries. And early next month it is likely to be submitting similar evidence on refrigerators, also from East more domestic appliances were Errope.

Even the Italian manufacturers, by UK manufacturers, turers, like Indesit and Zanussi

There is also evident —often themselves on the receiving end of complaints about dumping—are concerned about East European pricing. The dumping complaint by AMDEA is also on behalf of other EEC countries.

**Electronics** 

venture for

institutions have joined with the

Scottish Development Agency in

putting up £1m to back a new

electronics company, Future

\_ It will manufacture computer

and office automation systems in

a factory at Beith, Ayrshire, an

area hard hit by the closure of

Production research and development work have started.

The company is recruiting pro-

It hopes to build up from an

initial workforce of 20 people to

140 in five years.

The development agency put

up £400,000 in equity and loans.

and the two private organisa-tions, Scottish Northern Invest-

ments Trust and Castle Finance.

a subsidiary of Norwich Union

Life Insurance Society, each

Other capital was provided by the three directors and by BSC

(Industry), the job-creation sub-

sidiary of the steel corporation,

which paid for some of the plant

£250.000.

the Glengarnock steelworks.

fessional staff and engineers.

Scotland

Scottish Correspondent

Technology Systems.

turers of domestic appliances. turers is the rapid rate at which automatic washing machines

One East German machine with an ex-factory price of £15.30 would cost £27 to make

The import of cheap irons is also of concern to European manufacturers, as are toasters, food mixers and hair driers which are increasingly imported from the Communist

The total market for domestic sold has stayed remarkably less than 1 per cent below the

cent to 5.9m units while imports are up by a third in the year to 5.4m units in the year to the end of June. In June itself imported than were delivered There is also evidence of a

turers are down by about .25 per cent on last year. the The figure for the number of such

MDEA is also on behalf of The figure for the number of such allegations. Indest is Whether June was a freak ther EEC countries.

units of domestic appliances deitself experiencing difficult month or marked the beginning Last year Eastern Europe livered in the UK disguises trading.

of a new trend is not yet clear.

SHORT TIME working and retook 5.2 per cent of the EEC some structural changes in the dundancies have become the vacuum cleaner market. Most market as the statistics cover further credit to Indesit in norm for Britain's manufacturing for EEC manufacturing a wide range of goods from June and the company has cut machines and tumble driers-

> The recession has been one of the main causes of the fall in sales of white goods. A high proportion of households have refrigerators and washing machines, so when times are bard many people defer buying a new machine unless their appliance breaks down.

The poor summer weather has contributed to the sluggish sales of refrigerators and freezers. appliances measured in units The slow turnover in house sales has also acted as a brake, buoyant this year with deli-veries in the first six months home is often used as an opportunity to re-equip.

same period last year.

But the bad news for British suffering from a reduction of manufacturers is that their stocks by retailers because of deliveries have fallen by 19 per high interest rates. Mr. Ralph smaller orders more often. Hoover also believes that the

squeeze on margins. At con- Italians are dumping in the Ann on the other squeeze on margins. At con- Italians are dumping in the Ann on the other stant prices, sales in the first UK. However, Indesit. Italy's was an increase in exports in months by UK manufac second largest domestic June in freezers, cookers and constitutions albeit from a fairly the cheapest, strongly denies small base.

production almost completely while it negotiates with the Italian Government for loan guarantees.

Indesit maintained full production until June as a result of union pressure. It has had particular problems with its small appliances and television sets which cannot compete with Far Eastern products.

Mr. Giancarlo Montali, Indesit's general manager in the UK, said he would be out of stock by the end of September. However, the company was optimistic that it would soon come to an agreement with the Government deliveries would reach the UK by mid-October or November at the latest.

#### Improved sales

But not all is gloom. number of manufacturers in the stocks by retailers because of the UK are talking of improved high interest rates. Mr. Ralph sales in the second half of the Cohen, managing director of year. Also, the figures for June Philips Major Appliances, who alone from AMDEA show a remains remarkably optimistic sharp fall in the import of white about prospects for this year, goods; fridges down 26 per says distribution costs are rising cent, fridge-freezers down 40.5 because retailers are placing per cent, automatic washing machines down 37 per cent and tumble driers down 25 per cent.

appliance company and usually spin-driers, albeit from a fairly

# Clearances of Scotch down 72%

SCOTSH WHISKY clearances Clearance figures are the only poor figure for May but is more

the same month last year, to since spring suggests little sign thought that 1978 would give a reach the lowest level since of a pick-up in the home mar- more realistic comparison base. PRIVATE investment The Scotch Whisky Associa-

470,000 proof gall, for May 1980 century. compared with 1.7m gall. for

bonded warehouses.

for the home market in May fell guide to the state of demand, concerned with the 44 per cent by 72 per cent compared with The pattern of release figures drop on the May 1978 figure. It

May's figure exaggerates the tion said yesterday that home fall in demand for whisky be-releases in May were 12,241 cause of abnormally high 1979 year's 213,000. However, the hectolitres (a hectolitre is 100 comparisons. Last year saw a trend is strongly downward belitres) compared with a May great many withdrawals before cause home releases were 1979 figure of 44.206 hectolitres. the two Budgets. Home clear-buoyant until spring. These pre-These figures are equivalent to ances were the highest this budget figures have distorted the As a result much whisky is

Whisky "clearances" refers consequently have scaled down considerations as much as by to whisky on which duty has their orders from the whisky been paid when it is released companies. The industry had expected a

overall picture. Release figures are influenced

still being held by retailers who by stock levels and financial the amount of whisky sold.

Distillers results Page 18

# Demand grows for small-screen TVs

ingly popular at the expense of the larger sets. In the second white sets are also up sharply, deliveries in the second quarter quarter this year UK manufac- against all predictions. In the running at more than double turers increased their share of first half of the year, deliveries the same period last year. In this market, dominated by the were up by 16.5 per cent. Black the first six months this year Japanese, by 5 per cent to 29 and white imports in the second 130,000 video recorders were

and machinery.
Mr. Peter McHugh, managing director, said that by innovative turers' Association show that ing systems suitable for large or

THE SMALL-SCREEN colour for small sets is up by nearly children or for use in caravans. television is becoming increas- 28 per cent. The video recorder is also

Deliveries of small black and showing strong growth, with quarter more than doubled from delivered. compared with 100,000 sets to 225,000, while the 150,000 for all last year. The Figures from the British number produced in the UK fell second half of the year is always Radio and Electronics Manufac sharply from 160,000 to 100,000, much stronger. The growth in sales of small

There was a distinct slump in

while deliveries for large sets black and white sets is attri- deliveries of music centres. in the first six months is running buted to homes buying them as especially of those made in the lower than last year, the demand second sets for the bedroom, the UK.

to not a single interview he

realised if he was to work again

in the near future he would have

to set up his own company. Mr. Dickin, his wife Barbara

Royal Stafford, Mrs. Wood and her husband Eric, Royal Staf-ford's packaging and despatch

manager together put up £30,000. They rented a small empty modern pottery of about

4,500 square feet at less than

£1 per square foot. Then they

began making samples and send-

ing out dozens of letters to

# **BA** faces **45%** rise in fuel bill this year

By Michael Donne, Aerospace

BRITISH AIRWAYS expects its fuel bill for this year to amount to about £600m, or about 45 per cent more than the £413m bill for 1979-80. and 150 per cent more than the £240m in 1978-79.

Captain J. W. Jessop, flight operations director, asks flight deck staff in the latest Flight Crew Newsletter to "operate in the most economic way," and help reduce the fuel burden on BA. He says this year's fuel

hill will represent more than 30 per cent of the airline's total hudget, "therefore a minimal percentage reduction in sector fuel burn can produce significant financial advantage." Further measures

achieve fuel economy are under study, Captain Jessop says. These include more use of electronic fuel management systems, and more use of flight management systems worldwide. "Our survival in the 1980s

will depend on many things, not the least being a strict adherence to a sound fuel operational policy," he says. BA is also making good progress in its discussions with other European airlines on the abolition of first-class seats within Europe, and the substitution of club- and

tourist-class seats.

April 1, 1981 is still the target for abolishing first-class seating on all its European routes, though this depends whether the plan is accepted by the Continental airlines on each route.

At the same time, in order to deploy its aircraft more flexibly in Europe, BA is planning to standardise seating to a common 32-inch pitch (the distance between seats) in both club and tourist class.

This will compare with the normal economy-class seat pitch of 31 in., which is already cut to 29 in. on Trident One jets. First-class seating has 34 in. pitch. Captain Dick Twomey, gen

eral manager for UK and Irish routes, who is also in charge of the European programme, says the 32 in. pitch represents a hetter standard than present economy in most current aircraft types.
"In almost every case we shall be offering a lot more leg-room than our indepen-

## £20m contract for anti-tank missile system

dent competitors," he says.

THE DYNAMICS GROUP of British Aerospace has been awarded a £20m production contract by the Defence Ministry for the U.S. TOW anti-tank weapons system on British Army Lynx helicopters, writes Michael Donne The missiles will come from Hughes Aircraft Company of the U.S. British Aerospace will provide much of the

equipment aboard the Lynx which is built by Westland Helicopters. The contract follows a £23m development contract awarded some time ago to British Aerospace to adapt the TOW anti-

tank missile for use on Lynx helicopters. Westland will supply the weapon-launcher mountings, and instal the equipment, while British Aerospace's work will include a new sight-

ing system for the missile.
The TOW anti-tank missile was developed by Hughes for the U.S. Army, and has been ordered by the air and ground forces of 30 other countries.

# BP's 10% offer said to be inspired by CBI guideline

BY NICK GARNETT, LABOUR STAFF

vesterday of distorting its wage negotiations under the influ-ence of CBI "guidelines" and Government exhortations by offering a rise of 10 per cent to its refinery workers at Grange-mouth in Scotland.

In the first negotiations of the oil companies' new pay round BP Oil indicated to Transport and General Workers' Union negotiators that it would not be prepared to move much beyond this percentage, which would be applied to basic rates and allowances.

The company said it was ready to re-examine the deal in March, and that any further rises which might accrue from this could be backdated to the September 1 settlement date.

examine the deal has led union our throats." negotiators to believe that any apparent support by BP of CBI pay attitudes might be more cosmetic than real.

Grangemouth shop stewards have rejected the offer and they believed best for their own asked Mr. John Miller, the union's national secretary for the oil industry, to enter talks with the company.

Mr. Neil Boner, senior Transport and General shop steward, said that unless the company made a very substantial improvement on its offer within the next two or three weeks, his members realised that they might have to institute industrial action. The union is seeking rises of more than 20

per cent. September 1 settlement date.

Though the company has dictated to by the CBI," Mr. made no guarantee of extra Boner said. "We are not having

UNION negotiators accused BP payments, the offer to re- CBI guidelines shoved down

Oil company managements have said privately that they might make initial offers in line with CBI attitudes, but in the end would negotiate on what

companics. BP Oil is understood to have told union negotiators yesterday that it had had a deficit in the past six months of more than £40m.

The offer was realistic in light of this position, but the company was prepared to re-examine the deal in six months after reviewing profit-ability and overall trading

It adds that demand is at its lowest for 13 years. The union says that the claim is based on the very healthy profits of the BP group as a whole.

# 'Trotskyists' in **CPSA** blamed

BY CHRISTIAN TYLER, LABOUR EDITOR

A SCATHING attack on the eral secretary, of Mr. Stuart Civil and Public Services Association has been made by Mr. ently without consluting the Ken Thomas, the union's general secretary. He blames them spokesman in front of television for the unofficial mass picket-ing in Brixton this week and The n

In a circular to branches published today he accuses the Socialist Workers' Party and its offshoots of "calculated and said they should be reinstated, callous exploitation of a trade but in other jobs. However, union issue" in an attempt to another mass picket was staged achieve political martyrdom. They had "bamboozled" money Mr. Thomas said the stateout of the Association's members and branches, trading on initiative. He had not wanted natural trade union loyalties, to give the impression that it

The "dafter end of the political spectrum" had ben toler-ated in the CPSA initially with amusement." But in recent years because of our toleration they have increasingly and totally unrepresentatively mis-used the machinery of this union as a result of which our name has sometimes ben a joke in the trade union movement."

Mr. Thomas's outburst, which by Mr. Len Murray, TUC gen- control.

activities of Trotskyists in the Holland, the Labour MP for Civil and Public Services Asso- Vauxhall, Mr. Holland appar-The mass picketing began

after two CPSA members at the Brixton unemployment

ment to branches was his own to give the impression that it was a political attack by the Mr. Thomas says he has never been a witch-hunter, and that radical groups could have a part to play in preventing complations of the road. He condemns the escalation

of the Brixton issue, which he says split the union and could have endangered its objectives. This was the work of people whose trade unionism was "suborned by their political aims. Mr. Thomas goes on to

describe the Employment Actthe real target of the demon-stration—as "diabolical." But that did not mean the union is bound to draw anger on the should have given massive sup-Left, closely follows criticism port in a situation it did not

# Journal complaint upheld

BY OUR LABOUR STAFF

A UNION member's complaint McCarthy, about what he dethat the special pre-election scribed as a political article in issues of the union's journal and circulars should have been paid for out of the political rather than the general fund has been upheld by the Certification The Association of Profes-

sional, Executive, Clerical and Computer Staff is to be ordered to reimburse its general fund for the cost of distribution. But the Certification Officer

dismissed a complaint by the with und same member, Mr. B. P. of 1913.

the June issue last year. The Officer said that the major part of that issue and others were in furtherance of the union's "statutory objects."

A further complaint—that union branches had been advised they could buy Labour Weekly from their general funds-had not contained any allegation that a breach of the political fund rules occurred, and could not be dealt with under the Trade Union Act

# **BL** unions aim for 20% claim

By Lorne Barling

TWO major unions repre senting BL Cars' hourly-paid workers at local level announced yesterday that they would seek pay increases of 20 per cent in November. They also expressed support for the shop stewards com-bine following management's recent warning of disciplinary action aimed at preventing meetings during working

Both unions—the Transport and General Workers and the Amalgamated Union of Engineering Workers said after meeting separately in Birmingham that their mem bers could no longer accept wage increases which did no measure up to the rate of inflation. The last BL pay increase, imposed by the com-pany, ranged between 5 and 10 per cent according to job grading.
The TGWU's senior con-

venors and shop stewards in the area covering BL car plants voted unanimously to seek a 20 per cent increase applied across the board. The average wage across five grades is new \$86.03 a week.

The TGWU represents around 65 per cent of BL Cars' hourly-paid workforce, and the resolution will go forward to the union's executive to be formulated as a claim through the joint negotiating

The meeting also deplored "attacks on the shop stewards combine." This was a rebuff for Mr. Geoff Armstrong, BL's director of employee relations, whose warning this week against "unofficial" meetings in working hours has been interpreted by the combine as an attempt to intimidate its members.

At its district meeting yes-terday the AUEW passed no formal resolution on BL pay, but it was widely accepted that an increase of 20 per cent would be sought. There was also support for the activities of the combine

# **Bowater and Firestone workers** plan to resist redundancies

day received 90-day dismissal notices because of the financial crisis at the mill, plan to launch

Bowater yesterday vowed not to conduct any protest which would affect the mill's output but, instead, to maintain production. The Bowater joint union

diately to yesterday's announcement that 700 jobs at Reed's Only two days before about 1.600 Bowater workers at Elles-mere Port were told the company's newsprint-mill there was to close.

"We are now all in the same boat," he said. "We have Reen

competitors but we now have a common interest and must

workers affected at Bowater planned to write individual letters to MPs "to bring home with as much force as possible the position at Ellesmere Port." The Reed decision, he said, effectively meant the end of newsprint production in Britain.

He said the campaign of

The Bowater mill will not

close, and we give this assur- Shotton steel works, where ance to our customers," he said. more than 6,000 men lost their We are not planning a sit-in. We are going to keep the mill going flat out." Also yesterday a union leader pledged to fight closure of the Firestone tyre factory at Wrex-

The closure was announced on Wednesday to a six-man union delegation who met company representatives at the American-based firm's British headquarters in Brentford. They went to ask the firm to scotch rumours the plant would be axed.

"disaster."

## 'Appalled'

of 600 jobs.

Mr. Jim Morris, North and Mid-Wales divisional officer of the Transport and General Workers' Union to which most of the men belong, said yester-day: "We will fight closure.

"We are appalled by the company's decision. It shows total lack of loyalty and compassion to employees. Only recently they offered to look at ways of making the plant more efficient."

The company blamed the problem on continuing losses arising from over-capacity.
Mr. Morris said: "The closure

should prompt the Government to have another look at import controls. They ought to realise that every time a foreign car is imported, five foreign tyres are imported with it." He said closure, planned for

November 18, would push up

BOWATER paper-mill workers co-ordinated by unions at seems that the area is facing in Ellesmere Port, who yester- national level. worse than a crisis." The factory is 15 miles from

jobs this year. About 1,200 at

the private Brymbo steel works

in Wrexham face lay-offs and

short-time work because orders

ory of s

ERALD EVE

FGR 3

have slumped. "I'm not concerned about ham, North Wales, with the loss keeping old-fashioned industry but when one of the world's most modern tyre factories cannot face competition, we have a crisis on our hands," Mr. Eilis said.

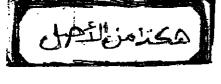
The union delegation was expected to return to Wrexham yesterday, and today is expected to discuss ways to save the factory. A mass meeting was planned for this evening. Mr. Tom Ellis, Wrexham's Last November Firestone Labour MP, said closure was a closed its Brentford factory with 2,000 jobs axed. Another

1,000 workers face redundancy after Firestone's decision a few weeks ago to sell its 190 British Wrexham was the firm's last factory in Britain. It is under-

stood the company intends to market tyres here. Alfred Herbert-which has announced more cuts involving loss of 900 jobs, leaving fewer than 300 workers temporarily at its plant in Edgwick, Coventry.

-yesterday criticised a union ban on movement of equipment. from this machine-tool factory. Management "much regretted" the decision to block deliveries of new machines and spares to customers. "The responsible attitude adopted to date has done much to sustain the loyalty and confidence of customers," it said. "The action now being taken

can only damage this and seriously prejudice negotiations, negotiations which could lead to: the preservation of employment



Stafford survivors in austere venture DESPITE deep recession in the potteries, with many companies Looking back, Mr. Dickin, who was a diver in the Royal to the rears and a shopworking widespread, a new bone china pottery began production

Rose of England bone china in a narrow street in Tunstall, one of the Five Towns of Stoke-onyears ago "it was already in-solvent." Although losses in Trent, are keenly aware of the In June they and more than 200 others lost their jobs when

Royal Stafford China, makers of fine English bone china in Stoke since 1845, went into They hope to succeed where Royal Stafford failed by cutting

The four people who set up

overheads to the minimum and keeping quality high. For Mr. Kevin Dickin, one of the founders of Rose of England. the contrast could not be greater.

As managing director of

Royal Stafford he earned £15,000

a year, drove a Peugeot 604 com-

pany car, and was accustomed to taking two ski-ing holidays Dickin. The incompatibility of every winter with his wife and At Rose of England his only

is no question of ski-ing holi-

Navy for ten years and a shopfloor worker at Michelin before becoming a cost and managedirector in the pottery industry, believes the end of Royal Stafford was inevitable. When he arrived there two

the first year were cut from £400,000 to £96,000, high overheads, inefficient equipment and a strong pound sent the company to the wall. The last chance was to try to move some of the production and workforce from Longton, in the south of Stoke, eight miles to Burslem in the north

where John Maddock, the London-based holding company which owned Royal Stafford, had an earthenware pottery. "Of a workforce of 205, five

skills led to the plan being It took 24 hours to sign on, It dropped. At Rose of England his company One Friday Mr. Dickin week I went there, and I could association with a company One Friday Mr. Dickin week I went there, and I could vehicle is the use of a second-managed to scrape together not help feeling there was still In return, Mr. Dickin says, they I think we have a fairly well-hand Fiat van. He has yet to Royal Stafford's £12,000 wage a stigma attached to being unhand Fiat van. He has yet to Royal Stafford's £12,000 wage a stigma attached to being unhand Fiat van. He has yet to Royal Stafford's £12,000 wage a stigma attached to being unhand Fiat van. He has yet to Royal Stafford's £12,000 wage a stigma attached to being unhand Fiat van. wage allotted to him and there it couldn't be done again.

Snoddy Raymond joins our series on unemployment with a report on four people's solution to redundancy.

canteen and tell them there would be no wages, no holiday and no redundancy pay. "But I thought we made a good product. There were orders. Why not take over Royal

down operation?" Maddock saw a conflict of interest, and Mr. Dickin and Mrs. Christine Wood, sales director, were sacked on the spot. It proved impossible to buy the remnants of Royal Stafford, and at the age of 44 were prepared to go to Kevin Dickin was on the dole Burslem. It might as well have in an area where there are 120 been Outer Mongolia," says Mr. people chasing each vacancy. "The queue at the Employearthenware and bone china ment Exchange was very long.

agents. The aim is to compete in the markets they know. Traditional florally decorated English bone Stafford and run it as a hivedchina is still in demand in Holland, Canada and Japan, despite cheaper Taiwan products. Rose of England hopes to

avoid the mistakes which, they believe, brought Royal Stafford down. They will keep to a small range of coffee and tea cups and saucers. Paperwork will be cut to a minimum mainly by having everyone, even the four shareholders, self-employed. The employees - at present It took 24 hours to sign on. It there are four of them — will appeared to get longer every only be paid for each high-

they like, within reason.
"But we are being ruthless on standards. We must get back to quality. Quality has got much lower over the past 15 years." who worked as a secretary at he says. Rose of England intends to

stay small, with an expansion

to 20 employees this autumn

when new energy-efficient inter-

mittent kilns are installed and the company begins to make its own cups and saucers. At present they are only decorating bought-in whiteware. Mr. Dickin believes that the future - apart from major companies such as Wedgwood and Royal Doulton—lies in a return to the family-scale companies that were more common in the

Potteries before the 1939-45 "We anticipate problems, but we are optimistic." says Mr. Dickin

A finance company has agreed verbally to lend £45,000, a joint venture with a lithography com-pany is planned, and their first big order - for £2,000 worth of cups and saucers - has been sent to Holland.

"The finance company said that three out of every five new After six applications for jobs work, free accountancy advice, land will be one of the three His final duty was to call the for which he was qualified led and can work whatever hours survivors," says Mr. Dickin.

a joint campaign of resistance to redundancies with workers at the Reed paper works in Local union leaders at

Mr. Denis Saunders, a member of the 10-union Bowater committee, which met almost continuously yesterday to dis-cuss a strategic plan of resistance, said union contacts with the Reed workforce would be made shortly.

combine our efforts." Mr. Saunders said the 1.600

"It is suicide by the Government to let the industry collapse at the beck and call of foreign competitors."

resistance to closures in the male unemployment in Wrex the preservation newsprint industry would be ham to 18 per cent. "It now at Edgwick."

# THE PROPERTY MARKET BY MICHAEL CASSELL

# Ellis gets China job

from the developers to find occupiers for the ultra-modern, air conditioned building but not to talk about what must rank as one of the agency coups of the

Even so, the developers are known to be Donaldson Lufkin and Jenrette, a New York-based investment banking group who hope to have the huge, twin tower complex by the end of 1983. One building will be occupied by the Guangzhou Institute of Science and Technology Exchange but the other—known as the DLJ Tower—will offer a mix of office and residential space amounting to nearly 800,000 sq. ft.

... The lower half of the building will contain office suites and the top 15 floors will provide apartments. Tenants will have the option of a 1,200 sq. ft. unit of office space with a one or two bedroom flat which can ulti-mately be converted to office use

thought to run from around at £150m a year.

\$870,000 to \$940,000 for a 15year lease. After the initial 15year lease. year period it is understood that an upward pull on yields despite the building will revert to the Chinese authorities.

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and the most important industrial centre in southern China. It has a population of over 3m and, as China's major outlet clients who may carry out—or for foreign trade, hosts a major plan to conduct—business in trade fair twice a year. The

TENANTS FOR a 30-storey office complex being built in Guangzhout in the People's Republic of China are being sought by Richard Ellis, the UK agents and surveyors.

Ellis are under instruction from the developers to find the most important industrial centre in southern China.

There is nothing quite like this particular scheme in the whole of China, offering as it does the chance to acquire office and the most important industrial centre in southern China.

Ellis are quietly promoting

trade fair twice a year. The City is located about 75 miles north east of Hong Kong.

For the Canton experts, the actual site of the DLJ Tower is on the north east of Haichu Square and the building will plan to conduct—business in China. Rents seem high for units offering a maximum total of 2,500 sq ft but then both the building and the local properly market is new and someone has to try to establish the going rate.

# Retail rents 'vulnerable'

compound.

LOOK OUT for a growing especially in the case of secondnumber of sale and leaseback deals in the hard-pressed retail sector is this week's message from prokers Quilter Hilton

The brokers say that expansionary-minded groups like Asda and Tesco may find increasingly that such deals represent an attractive alternative to borrowing short-term and they predict that shop property coming on to the market in this Rents for the building are manner could soon be running

the argument of ever-rising institutional cash flow looking Marketing for the office complex, is being handled by say that shop rents look vulner.

ary shops and those tourist-dependent West End retail operations. If rents look vulner-able, then so do yields, which at under 4 per cent for prime imply rental growth rates of over 10 per cent per annum

Agents Hillier Parker, who have just conducted a survey of the High Street Kensington shop market, rockon that, despite the slump, the under-lying trend in retail expansion is still upwards. Rents of prime units have risen over 12 times since 1965, twice the national growth rate but parallel with Oxford Street and other central London shopping areas. For the record, there are now 98 indivi-

# Haslemere buys Stevenage block

move, Haslemere Estates has building is what the agents like purchased a 1960s office tower block in Stevenage which it inblock in Stevenage which it in-tends to modernise and retain in its investment portfolio.

Given the latest decision and the company's announcement the Environment and the Instiearlier this year that it is to
build a 105,000 sq ft office complex in the City, the slogan
"Doing a Haslemere"—traditionally used to describe the
quality refurbishment of
Mr. Pickford says: "The period perperties—seems to be becoming somewhat more ambiguous.

Mr. Fickiora says. The building, like others of its generation, suffers from being modern in the sense that it

The company has paid Steven- has very quickly become dated age Development Corporation around £1.8m for the freehold around £1.8m for the freehold of Southgate House, which is nearly 20 years old and provides entrance areas and lifts and nearly 20 years old and provides 60,000 sq ft net of floorspace on 14 floors. 14 floors. A pub is also in-cluded in the package.

According to Haslemere's David Picklord, the company was aproached to see if it was interested in the property, which currently produces an income of £146,000 a year, and perhaps to everyone's surprise decided that it was.

The building stands in Stevenage town centre and was the first office building commissioned by the Development Corporation during the development of the new town. The about two and a half years to vendors were advised by Hillier complete and should cost ment of the new town. Parker May and Rowden while

# Shops saga concluded

THE SAGA of Chesterfield Properties' attempts to expand its Bransholme shopping centre at Hull — featuring threats of High Court action against the Department of the Environment and allegations of huge and mounting costs caused by unnecessary delays — appears finally to have reached the last tenants in the building-includ-ing the Development Corporation itself, the Department of

In January 1979, Hull City Council gave the go-ahead for a £3m extension to the district shopping scheme providing an additional 73,000 sq ft of space. In August, Mr. Michael Hesel-Mr. Pickford says: "The tine, Secretary for the Environment, called in the plans saying he wished the proposals to be considered alongside another scheme put forward by Asso-ciated Dairies at nearby Bilton, in terms of fixtures and fittings.

Inquiries by the same inspector into both sets of plans took place in January and April this year and Chesterfield said "We are pleased with the purchase price and with the if its plans were not passed by April. In the event, the building's potential and intend to retain it as an investment. We inspector's reports - recomhave modernised quite a few mending approval in both cases - have just been upheld by Mr. buildings of its type but this

Commenting on the outcome, As for the company's new City Chesterfield's managing director, development at Bevis Marks, site demolition is being carried out Mr. Roger Wingate, said: "My feelings are mixed. I am obviously relieved that we can and major works are expected to start by next February. The try to put 18 wasted months of frustration behind us but irri-tated that, despite the inscheme is scheduled to take spector's unqualified approval to around £15m. The complex will Bransholme, the Department plex, is being handled by say that shop rents look vulner, dual shop units in High Street Sweby Cowan McGlashan acted be funded from Haslemere's and the Secretary of State still Richard Ellis' Hong Kong office able in the short-term, Kensington against 76 in 1966, for Haslemere. refused to act for months."

# **Arlington in Exeter**

PLANS BY Arlington Securities to develop a £7m shopping and leisure centre in Exeter have been accepted by the City Council as a basis for negotiation and agreement is expected soon. The scheme should be complete by the end of 1982.

The Exe Bridge centre will cover five acres and will pro-vide accommodation on three levels. There will be a 50,000 sq ft superstore—discussions with three potential occupants are being held-and five smaller units totalling 19,000 sq ft. Sports and leisure facilities

will be on the first and second levels and will include a sports hall and squash centre. The development consortium, headed by Arlington Securi-ties, includes Wimpey Construction (UK) and MWT Architects. Development Consultants are Collier and Madge and Walker, Son and

• Builders Amalgamated, a wholly owned subsidiary of Trafalgar House, have — as foreshadowed here three weeks ago—exchanged contracts for the purchase of Firestone's 28-acre complex on the Great West Road at Brentford, Middlesex. The purchase price is thought to have been something approaching £20m.

● The first phase of the Royal Insurance-John Finlan 19-acre industrial and warehouse complex at Toddington Road.

BANQUE NATIONALE

DE PARIS

Floating rate note issue of

US\$75m February 1978/84

The rate of interest applicable

for the six-month period beginning 21st August, 1980, and

set by the reference agent is

have taken 70,000 sq ft of the 90,000 sq ft development and the remaining space has gone to Rothervale, Motto Foods, Therm-A-Stor and Access Therm-A-Stor and Access Equipment at rents of about £1.90 a sq ft. Phase Two will start shortly and will provide another 55,000 sq ft of space. Joint agents are St. Quintin and Fuller Peiser.

 J. Sainsbury has sold the ◆ J. Sainsbury has sold the freehold shop at 24 Gabriel's Hill, Maidstone, for over £600,000 to Corpus Christi College, Cambridge. The 15,000 sq ft store is in Maidstone's main shopping area opposite the Stonebridge shopping centre. Healey and Baker acted for Sainsbury. Baker acted for Sainsbury.

 Albany Life Assurance has paid close to £400,000 for the freehold warehouse investment developed by MDW Holdings at West Bowling Green Street, Leith, Edin-burgh. Knight Frank and Rutley advised Albany Life who are receiving an initial yield of 7½ per cent. The vendors were advised by Pent-land Securities.

• Freeholders National Westminster Bank have let by tender the refurbished 2,146 sq ft office building at 9. Ely Place, off Holborn Circus, on a 10-year lease for a rent of £27,100 a year. The refurbishment was supervised by the building surveying division of Debenham Tewson and Chinnocks, who acted for the Bank in the letting.

BANQUE EXTERIEURE

D'ALGERIE

US\$25.000,000 9°s 1977:1982
Pursuant to the terms and conditions of the Notes, notice is hereby given to Noteholders that, during the tweeter month period ending August 15, 1980, a principal amount of US\$628.000 of such Notes were purchased for the Purchase Fund.

Constanting

Outstanding amount: US\$23,172.000.

HOME BREWERY COMPANY LIMITED

CUMULATIVE PREFERENCE SHARES
NOTICE IS HEREBY GIVEN that the
Transfer Books of the appre Company
will be closed from 22nd September 1980
to 30th September 1980 that he
may be prepared for the hall-year ending
Soft September. 1980
By Order of the Ball-year ending
The Energy.

J.A. DEVENISH & COMPANY LIMITED

NOTICE IS HERRBY GIVEN that the TRANSFER BOOKS of the 44% Redeemable Debonture Stock 1981.86 and the 3.85% Cumulative Preference Stock will be closed from the 17th to 29th September. 1990 (both dates inclusive) for the preparation of the warrams for interest and Dividend payable on the 30th September. 1980.

Luxembourg, August 22, 1980.

The Brewery, Daybrook, Nottingham, 21st August, 1980.

**AIRCRAFT** 

Principal Paying Agent KREDIETBANK S.A.

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lighting.

is the first we have owned."

The latest issue of PMR, the property journal for the Business Man, contains:

"It's like straing oil..." says the etsulient Chairman of European Ferries, talking to PMF about his new venture in Darwer USA, which some people recken will not him more than \$300 million in a few years. Mr. Wickenden also tell a about his UK property

RETAIL PROPERTY SPECIAL including a profile of ASDA's rapid expansion, the Div boom, who's in the market for alrops, and reviews of the shopping scene in the Home Counties, the West Country, and the North East, segiting the Newcastle Metro. OPPORTUNITIES IN THE USA: We look at investment possibilities in offices, shoot

THE NORTH YORKS AND HUMBERSIDE SPECIAL REVIEW How the opening of the Humberside Bridge and the extension of the M180 will affect areas on both aldes of the Humber Estrary...how Bindlington is expanding...the property scens in Hull, York, Harrogete, Scunthorpe, Selby...and how North Yorks is becoming a retreat for city cheellers in the major Yorkshire conurbate

FOCUS ON WILTSHIRE AND OXFORDSHIRE, the outer edges of the He langle, and the growth potential of Swindon, Banbury, Abic ALSO: Are you getting the offices you need, by Gerry Purnell of Lessor Glenkill, etails to Peter Handy of Dawn Reiders Rowe & Pitmen, Golog it alone in property investment

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## PROPERTY APPOINTMENTS



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(Up to £20,000 per annum) Following the appointment of Mr. J. F. Boyce, F.R.I.C.S. to be its new General Manager and Mr. R. G. Tilmouth, B.Sc. (Est. Man.), Dip.T.P., A.R.I.C.S. to be General Manager of Washington Development Corporation, the Telford Development Corporation proposes to rebuild its senior management and industrial development teams with appointments

(i) Assistant General Manager (Commercial); and (ii) Commercial Director

The salary range is equated with that of Assistant Secretary (Civil Service) with a plusage for the Assistant General Manager appointment. Applicants for the post of Commercial Director must be Chartered Surveyors. Full details of the appointments with application forms

may be obtained from the Secretary, Priorslee Hall, Telford, Shropshire TF2 9NT, Telephone 0952 613131. The closing date for applications is Wednesday 10th September 1980.

# **COMPANY NOTICES**

BRASCAN LIMITED (Incorporated under the laws of Canada) MOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of thirty cents 150 tents) per share iin Canadian tunds; on the Company's Class A. Class B. and Class C. Consertible Ordinary Shares without nominal or par value, FAYABLE October 31, 1980. to shareholders of record at the close of business on October 1, 1980.

or Morgan Guaranty Trust Company of New York 15. Avenue des Arts 1040 Brussels.

Order of the Board. L. A. ALLEN, Secretary The transfer agents of the Company are National Trust Company Limited, Toronto. Mootreal, Vancouver, Calgary, Winnipeg and Halifax, Canada, and Citibank, N.A. New York, N.Y., U.S.A. Changes of address should be notified promotily to National Trust. Company Limited at 21 King Street East, Toronto, Canada M5C

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11% annually.

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U.S.\$29.300.000 nominal value will remain outstanding after 15th September, 1980.

THE "SHELL" TRANSPORT AND TRADING COMPANY LIMITED NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Wednesday. 3rd Soptember, 1980 for the pareparation of the half-yearly dividend payable on the 3ch first PREFERENCE in moons ending 30th epitember, 1980 for the paid on 1st October, 1980. The paid on 1st October, 1980. For Transferrees to receive this dividend, their transfers must be lodged with the Company's Registrar, Lloyds Bank

By Order of the Soard. G. J. OKELL, Secretary. She'il Centre, London SE1 7NA. 22nd August, 1980.

**CLUBS** 

GARGOYLE, 69. Down Street, London. W1. NEW STRIPTEASE FLOORSHOW "CLOSE ENCOUNTERS" 11-2.30 em. Shows at Midnight and 1 am Mon.-F1. Closed Saturdays. D1-437 6455.

**PUBLIC NOTICES** 

LANCASHIRE COUNTY COUNCIL BILLS 210.000.000 Bills Issued 20 August, 1980 at 14% to mature 19 November, 1980. Total applications were £55,000.000 and there are the only bills outstanding. GLOUCESTER CITY COUNCEL

44.000.000 bills issued 20 August,
1980 at 1414.00. Total applications
221,000,000. £11,500,000 bills outstanding.



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3.Income Tax. If you enter into an agreement to make an annual donation. to the RNLI for at least six years, we can recover the income tax you have already paid (at the standard rate) on the

amount of your donation. The RNLI is entirely supported by voluntary contributions and we desperately need to buy more lifeboats

which are now costing over £250,000 each. For more information contact: The Director, RNLI, West Quay Rd., Poole, Dorset BH151HZ.

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EDITED BY CHRISTOPHER LORENZ

# **MANAGEMENT**

UNTIL recently demands for improved working conditions occupied a far lower priority than pay in the majority of management-union negotia-tions. Apocryphal stories have been circulating of negotiators agreeing in corridors on how to jettison conditions rather than arguing about them around the table.

Such days are gone so far as the shorter working time issue is concerned. Throughout Britain and other European countries employers have been surprised by the force with which union negotiators are now insisting upon reductions in the working week. The conventional wisdom that workers are prepared to be militant only about the pay packet has been rapidly re-appraised.

Reduced working time is a central plank in the TUC's Campaign for Economic and

# What price the cut in working hours?

Alan Pike describes the unions' advance while Brian Groom reports on some companies' experiences with the shorter week

Social Advance, and its latest survey shows that 41m workers in Britain now have agreements which provide a basic working week of less than 40 hours. This is in addition to those groups which have continued to place the emphasis on longer holidays rather than the shorter working week.

Why are workers suddenly ready to fight for, perhaps, an hour off the working week? An extra 12 minutes per day is hardly likely to produce a radical transformation in leisure activities or reason, close to the hearts of trade union officials and activities, is the effect which a reduction in official working hours and overtime could have on combatting unemployment.

The actual relationship between the shorter working week and recruitment is by no means a clear one, as the accompanying article shows. But at a time of high and rising unemployment this argument carries strong moral force among trade unionists. A recent study carried out for the Government and the EEC discovered that more than 72m hours of overtime are worked in Ireland each year. Even if only 30 per cent of overtime hours were replaced by full-time jobs, argues the TUC, this would lead to work

for 12,000 people. One of the favourite slogans of the campaign for reduced time is that the shorter working week is inflation-proofed and cannot be devalued. It is benefit which, once achieved, has been won for while And. immediate value of a 39-hour week may be limited, the drive for more substantial reductions will continue now that the round-figure logic of 40 hours is being broken.

One of the most crucial milestones in the campaign for the shorter working week in Britain came' with the settlement of last year's national engineering dispute. This was not the first agreement to produce a reduction in the working week and its terms—one hour off the working week next year—are in some ways quite modest. But its significance in a huge industry enormous, and it did much to demonstrate that the shorter

working week really can be translated from theory into hard agreement. The fact that some other groups of workers have already succeeded in negotiating better terms is due, in part, to the breakthrough in the engineering industry.

Important developments in Britain since the engineering settlement recently reported to the TUC include:

Printing—two of the print unions agreed earlier this year to a one-hour reduction next January, followed by a 374hour week in July, 1982, for 125,000 workers in general

printing and provincial newspaper offices. But following a dispute by the National Graphical Association, the Newspaper Society and many printing companies have now agreed to the introduction of the 37½-hour week from November, 1981, starting with a one-hour cut to 39 hours in

British Rail-there will be a one hour cut in the working week from November, 1981, taking some employees to 39 hours and others to 38.

China Clay—The Transport and General Workers Union negotiated a 37j-hour week

which came into effect in the China Clay industry last Imperial Chemical Industries

-Five manual unions have agreed to the phased introduction of a 37-hour week for 50,000 workers by 1985, heginning with a one hour cut

next June. Philips Industries - There will be a one-hour reduction for manual staff to 39 hours in November, 1981, with

white-collar staff gaining a cut from 371 to 37 hours. Retail Co-operative Societies -The 178,000 workers in this

retail sector will go onto a 39-hour week this November. The working week of 25,000 professional and technical National Health Service staff has been reduced from 38 to 37 hours this month and 24,000 university manual workers gain a 39-hour week in November.

WHAT EFFECTS have mana- hour off the basic week means thon of orders to maintain its gets felt so far from the cuts simply another hour's overtime market share. in working time that many of them recently conceded to the trade unions? One can only hope the experience of most has been happier than that of Neal been happier than that of Neal Welding Components, a tiny Merseyside engineering company which went on a 39-hour week at the beginning of this year—and quickly suffered an unnerving fall in output at a time when general overheads were rising fast.

"Production has been dras-tically reduced." complains Ian Bridge, the works manager. "It's amazing what just one hour does to your overall out-

The management's reaction to the problem was to raise prices —only to see both orders and overheads it then cut the shop-floor workforce to 15 by getting rid of two apprenticeships-the opposite effect on employment to that often claimed for the shorter working week.

A couple of qualifications must be added. On the negative side, last winter's steel strike and destocking this year by customer companies obviously played their part when orders fell. More positively, the company's position subsequently improved as the summer brought more repair and modification work, with customer companies shutting for But this upturn proved largely seasonal and in 30 nor of itself to a growth in any case was of little comfort the company's operations, but to Bridge: as part of the original it has been a spur to higher agreement, he will see a fur- productivity and must be seen ther hour chopped off the work-ing week every year until 1984. as part of a long-term drive to cut out wasted time in a firm

at the premium rate-" an excuse for a wage tise . . . a come-on and no more," as one

works manager put it. In 1978 the CBI calculated that if the 35-hour week were introduced during the 1978-79 pay round it would add 5-72 per cent to retail prices. In practice, however, few companies are easily able to isolate the labour cost or price effects of the current, less ambitious cuts

The majority view among small cuts in hours have neither dire effects, nor contribute greatly to what the TUC describes as "a positive cycle of productivity, growth and employment". In other words the preconceptions of both sides are not being borne out in

#### Wasted time

At the opposite extreme from Neal Welding, some companies have found the move to a shorweek beneficial. Arthur Billings, general manager of C. C. Crump, a rail wagon repairer on Deeside, declares himself "more than happy" with his firm's cut from 40 to 37½ hours from August 1979.

It has not led to an expansion of the shopfloor workforce of

In return for the cut in hours the workers gave up their afternoon tea break, while managemen demanded a 1.6 per cent increase in production percentages (hours used productively as a percentage of total hours at work). This has not quite been achieved—it is up by about 1 per cent-but results so far are considered reasonable.

 $O_{2}$ the grounds that "minutes are money," management has sought to speed mat-ters by introducing a hydraulic trolley to lift vacuum cylinders management seems to be that underneath the wagons-replacing a less efficient forklift truck-and by putting wheels on everything which needs to be moved. There is a special bonus if production percentage targets are exceeded in a 13week period.

Overtime, at one time considered essential income by the workers, was finally stopped under the deal after being reduced over a period of years. This used to be a seven-day trade. It took me 10 years to tell them (the workers) it was a waste of time and that they needed leisure hours," says Billings.

C. C. Crump made a further reduction in hours to 35 on August 4. Management is conscious that this presents a further challenge, and has installed a computer to control productivity.

What is to be made of such apparently contradictory ex-periences? A great deal. Cuts in hours have a far from uniform effect on companies, bonus incentive for completing present economic climate. It is to end backbiting between those Where effects are discernible, a job quickly and getting on to certainly not a good time to departments which got a lot of For many British workers, an which depends on fast comple- there is a marked difference be-



" ideally, what we would like is a longer working week!"

vest in new equipment, and those which do not. For many companies, how-

ever, the effects are only barely

discernible. Cuts in nominal

hours have only a minimal impact on actual hours worked and on output. At Staley-Portland, an engineering comhours and output being determined almost totally by the orders available, and by the

tween firms which change work many firms. If the worker does practices significantly and in more than the nominal 371 hours he receives overtime pay, but the management considers that the effect on its 374-hour effects of hours agreements can week-in operation for about three years—pales into insignificance beside other factors.

Few managers appear to consider that the current batch of shorter week deals is having a pany near Manchester, the marked effect on company piecework system involves employment levels — a main objective of trade unions across Europe-but it is difficult to reach firm conclusions in the another one—as is the case with think of taking on extra

Bigger cuts in hours might 35-hour week would lead to men being taken on if the workload stayed the same or increased," comments the sales director of an engineering company which has seen little effect from a 39-hour week, but plans to go down to 35 by 1982.

On the other hand, the CBI argues that long-term employcompanies take on extra workers in the short term without a rise in output — higher unit labour costs would cause prices to rise and competitiveness to deteriorate.

Of the 19 companies questioned for this article, only one reported a definite plan to recruit more, and that was because of an overtime deal rather than a cut in basic hours. However, even this plan has now had to be drastically modified in the light of the recession —an example of how the small be swamped by wider economic

The company is Fordath, in the Midlands, which makes equipment and resins mainly for foundries. The original aim was to stop overtime within five years and to take on more people to compensate. The deal covered 200 workers and was an industrial relations manoguvre overtime and those which did

workers, and it is hard to judge not. The first result was that painlessly be cut—often a whether the shorter week helps two new fitters were added to protect existing employment the existing 19 in the maintenance department.

Now Fordath has had to slash create more jobs if the orders overtime by half — which it were available and if productivity increases did not long period under happier tradmatch the cut in bours. "The ing conditions — and has declared 25 modulations in the conditions in the condition in the cond ing conditions — and has declared 25 redundancies, including cutting the number of maintenance fitters back to its original level.

It is widely agreed that the high levels of overtime worked in Britain's manual sector—currently being hit anyway by the recession—will have to come down in the long term if there ment levels could suffer if is to be any meaningful cut in overall hours. Cuts in nominal hours often simply mean more overtime. But few deals include specific curbs, and re-sistance can be high among workers who depend on overtime earnings.

## Bus stop

Again and again, the whole argument about the effect of the shorter week comes down to the performance of indi-vidual managements. Current agreements show that managers. have generally appreciated the uncertainty and avoided sudden, large and incautious reductions.

There is a host of one- and two-hour deals, staged deals, delayed deals, "agreements to Many managers, even when they do not make radical changes to work practices, that workers give up break times to soften the effect. Companies also have to consider from which part of

• MATERIALS

Saves time

in drawing

of celluloid acetate coated with

backed with a siliconised paper

accept typewritten copy, allow-

ing typists to produce descrip-

700 mm and can be cut to any

size for positioning on drawing,

plaus, etc. It is suggested for

catalogues and technical speci-

office

release liner.

week the time can most

source of considerable friction.
It is no use letting workers out 15 minutes early each night to have them spend it waiting at a bus stop. On the other hand, there are sometimes problems in lopping the hours off Friday afternoon; one firm had distri-bution trouble because it used to load the vans at that time.

One major maker of document handling systems put the workers at its coastal factory on a 41-day week but took 15 minutes off each day for its inland plant. "We're not by the seaside and I think our let would be bloody lost or lot would be bloody lost on a Friday afternoon, says the personnel manager of the latter.

The shorter week is not the only method of increasing leisure time, of course. Among the other options are longer holidays, sabbaticals and early retirement. In January the CBI floated the idea of." annual time budgets," of working hours. But the shorter week remains the most popular with trade unionists.

In the meantime many managers still wonder if they need to concede cuts in working time at all, while the Labour Research Department argues that " the employers' traditional defence—that going it alone is suicidal—no longer applies." On the other hand present agreements are for the most part neither so radical nor so employers at a serious disadvantage when recruiting. Agreements to go down to 35 hours are still comparatively

B.G.

# Echnical News Less energy

# Topping-up not necessary

the latest company to announce in the coming year the emphasis maintenance-free, " sealed for life" car battery.

Hard on the heels of the Chloride group, Tungstone will launch in October a range of batteries which will require no topping up or attention and which will last for, say, six to seven years.

The new batteries will be launched at the 1980 Motor Show, at which Tungstone will also be showing a new range economy, low-maintenance

Tungstone is, perhaps uncharacteristically, According to Tungstone: "To

been installed at Reuters Technical Centre, claims ESB

Incorporated, Thames House, Millbank, London SW1 (01-834

This battery is of a type new

to the UK and is a rotating no-break system which ensures

that the news agency's world-

wide computer and communica-

tions network is completely

secure against disruption by

At its heart is the ESB Willard Type EX 21 264-cell lead-acid calcium battery which,

at the moment of interruption,

power failure.

Keeps it all going

is going to be on economy, so that we do not anticipate dramatic sales to begin with." It is proving a hard summer squeezed between high interest

tively mild winter. All Tungstone's new batteries are being manufactured at the inactive. company's new £12.5m plant in Market Harborough.
The new maintenance-free

batteries are expected to last at least as long as conventional units, and while Tungstone is as pessimistic yet unprepared to price the new about its new batteries. In the units, they are expected to cost first instance, they will be avail-able only for imported cars and £12-24 that conventional bata limited number of popular teries fetch, depending on the

Tungstone is on 0858 65161.

power is restored.

3,700 a.h.

A range of these batteries is manufactured by Exide in the

U.S. and is now being marketed

throughout this country. The company says that this type is ideally suited to telecommunica-

## CATERING

# wash dishes

DISH WASHING is hardly a glamorous subject, but a little modern technology applied to this Cinderella subject can yield substantial savings.

According to Energy Mizer, a recently created subsidiary of the Brent Chemicals Interna-TUNGSTONE BATTERIES is be realistic, it is probable that perature dishwashing system uses up to 83 per cent less energy, 45 per cent less water and 50 per cent fewer chemicals than conventional systems.

Much of this saving has been for battery manufacturers achieved simply by the development of a system which uses rates, a high price for lead and hot water only on demand-the knock-on effects of a rela-there is no need to maintain stocks of water at over 80°C during the hours the machine is

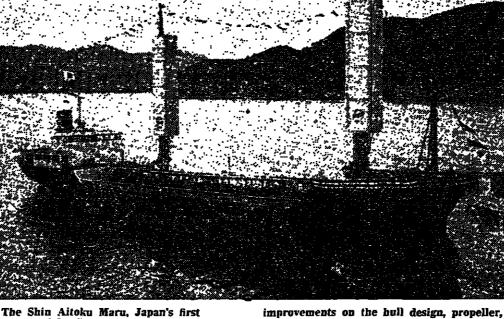
> The Energy Mizer system, called "Energy Poundwise" runs entirely at 60°C, roughly the temperature of a domestic hot water system. After scraping the plates are racked and washed in six to seven litres of wash water to which detergent has been added. Energy Mizer contrasts this with the conventional approach involving 40-150 litres of detergent loaded wash

The wash water is then discharged to waste, the whole machine riused out and the dishes rinsed again in six to seven litres of clean water to ONE OF the biggest single immediately takes over the battery installations for uninterruptible power supply applications in the UK has now as well as maintaining comwhich sanitizer and rinsing aids

The rinse water is then used munications—until the auxiliary as the wash water for the next diesel comes on line, or mains operation. Conventional systems use rinse

water at 82°C so Energy Mizer claims to have eliminated the wash tank sustainer and the booster heater.

A major international hotel tions applications and will main- chain has begun to replace its tain capacity throughout their existing dishwashers with 20-year long operating life. Energy Mizers at a cost over 20-year long operating life. Energy Mizers at a cost over Fully compatible with UK five years of £2m. In the same charging systems, they are available fully assembled, filled and the system of £3m. charged, in capacities up to Energy Mizer is Energy Mizer is on 01-542



commercial sail-equipped motor ship, jointly developed by Nippon Kokan KK and Japan Marine Machinery Development Association. Owned by Aitoku Company, it is seen here just after being launched. In September, it will be sailing around the Japan Sea, carrying petroleum products. Construction cost was about £1m. NKK says although the cost is over 15 per cent higher than that of tankers of the same class the ship is designed to enable energy savings of some 50 per cent because of the auxiliary use of sails and various

Recovers the chemicals

chemicals, when stored or Middx (01-560 5166).

A LARGE number of liquid Great West Road, Brentford,

sphere above the chemical. with a very wide range of flow Composition of this mixture rates and mixture composi-

main engine, generator and waste gas recycling. The tanker is 66 metres long and 10.6 metres wide. The two sets of rigid sails are made of thin steel frames and canvas, each eight metres wide and 12.15 metres in height. The total area for the two sails is about 200 square metres. These sails are automatically controlled by a built-in micro computer, for manoeuvring and constant setting of the sails at the optimum angle for the maximum utilisation

# of wind power. Maximum speed is 12 knots. METALWORKING High speed blanking

presses

Nitrogen is inert, dry and widely available. The company ALTHOUGH it operates at high speeds. a Haulick Roos RVD press is claimed to be capable of maintaining consistent accuracy of the components it produces. The Industrial Equipment Division of Hahn and Kolb (Great Britain), Leicester Road, Rugby, Warwickshire CV21 1NY 0788 74261, bas recently been appointed to be the sole distributor in the British Isles of this blanking press and others in the range

Fastest machine in the range is the RVD 25 (press force 25 tons) with an infinitely variable speed from 60 to 600 strokes/ min while the largest is the RVD 400-1450 which is rated at 400 ton. It, too, is claimed to be extremely fast for its size, and can operate at speeds up to 180 strokes/min, depending on com-

The system consists of twin the electrical properties of the and all other necessary equip-

# ties, Chester Basildon, Essex. COMPUTERS

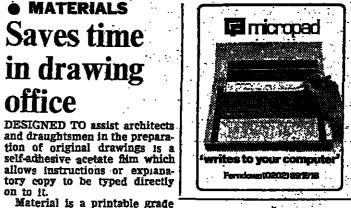
of one of the world's biggest selling microcomputers, the TRS 80, is about to launch a

Tandy is writing a number of business routines in the elemen-tary computer language BASIC for the new machine including civil engineering, aviation, mathematics, business statistics, real estate and personal finance. The routines will cost between £8.95 to £13.95 including VAT.

machine has an unusual architecture involving two four bit micro-processors, one to handle display (a single line of 24 three hydraulically-operated columns) and another to deal articulated arms providing with the BASIC intempreter. variable heights up to 14 metres There is 1.9K of user memory, allowing the creation of reasonably ambitious programs (for

It is totally battery-powered can run for up to 300 hours of continuous use on one set of batteries.

Ted Russell of Tandy will tell



# CONSTRUCTION

winter conditions in Sweden down to the hot Dead Sea basin and the Jordan Valley a hydraulic power ladder has been developed to suit a variety of applications in the UK announces Lambourn Engineeruse also in the production of ing. Lambourn Woodlands, internal newsletters, spare parts Newbury, Berks. (0488 7111). Self-propelled, the machine is fication data sheets.

More from Coated Specialidiesel engine, and its working ties.

Chester Hall Lane, platform can lift to a height of

> . The engine drives a hydraulic pump which in turn drives two hydrostatic motors which provide the power and steering in the two wheels.

tions, says the company, stability of the machine is excellent and when operating on steep terrain or in rough ground conditions, extra attachments are fitted as standard to improve stability even further. Farmers and foresters will like its versatility for access to trees for lopping, pruning, fruit-picking, etc., it is claimed, but it also promises numerous uses on construction sites and building maintenance areas as well as for electrical and telephone

TWO MEN can be lifted to difficult-to-reach jobs by the latest Access work platform. Called the Zipper 45, it bas and a maximum outreach of 6 metres from centre. Slewing and height control is achieved simply by pressing buttons.

The work platform is manuand there are claims that it factured by Access Equipment

# **PACKAGING** Improves look of labels

EXCELLENT PRINT definition West Midiand (Walsali 23513). polyurethane

kinds of multi-colour labels for finishes, in slit and widths up clothing, textiles, furnishings to 27 inch, but the maker says and bedding, says J. L. T. Smith, that other colours may be intro-133 Lichfield Street, Walsall, duced at a later date.

and long-term durability are promised in a new range of coated nylon labels available in graphic — for which polyure-four styles, with acrylic or thane-coated materials are

coatings and specially geared.

They will be available initially These are produced for all in matt white or pearlised

PROCESSING

handled, give rise to vapour which mixes with the atmo-

depends on a number of factors

-notably the vapour pressure of the stored chemical and the

temperature and pressure of the

A new process has been deve-

loped to recover this vapour as

a liquid for re-use without the

need for expensive separation

Great West House, PO Box 39,

• HEATING

announces BOC,

Maintains the flow

conductors insulated with 25 PTFE insulation.

called the Deltatrace STP. This comes in lengths of up to 100 metres and loadings up be waterproof, tough, resistant to 50 watts (different wattages to most corresive agents and are used for different materials capable of withstanding high and varying pipe circumfer-ences) and is introduced by voltages under upset conditions. Delta "T" (Trace Heating), There is no hazard to plant 155 High Streets, Potters Bar, Herts. (0707 44866).

DESIGNED TO spiral around "thou" of PTFE and glass pipe systems transporting braided overall within a braided materials such as edible and stainless steel armouring, and fuel oils, phenol, wax, chemi-is wrapped around the pipes to cals. molasses, syrups and be heated, prior to lagging, then powders, is a heating cable connected to an electrical supply via a thermostat. Maker claims the tracer to

This process uses liquid nitro-

gen and is designed to cope

can supply it in a variety of

packages to suit any applica-

tions: compressed in its familiar

cylinders; liquid, delivered and

stored in bulk; on site from BOC nitrogen generator or by

pipeline from the company's

voltages under upset conditions.

There is no hazard to plant personnel because of the pro-

duct's earthed armouring and

ponents to be produced.

These presses can be supplied by Hahn & Kolb as part of complete systems for producing sheet metal blanks in quantity. These systems would include stock reels, decoilers, feed units, scrap shears, conveyors

# Small but powerful TANDY Corporation, makers

hand held version—but it is Japanese designed and built.
The Tandy TRS-80 Pocket
Computer which Tandy will
launch here in October is in fact the Sharp pocket machine. It will sell for £119 including VAT.

The Sharp-in-Tandy's-clothing the anthmetic functions and the

such a tiny machine)

you all about the machine on powered. All controls are

pressure-sensitive adhesive, The ink-receptive film will Reaches the awkward tive matter, thus freeing the architect or draughtsman from FOLLOWING trials in severe laborious hand stencilling or the lengthy process of block letter-Transtext is available in a standard sheet size of 500 mm x

> 4, 5, 8 or 9 metres, according to the model.

Under normal ground condi-

car lux

<sup>abi</sup>y th

ments

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<sub>develo</sub>

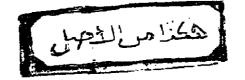
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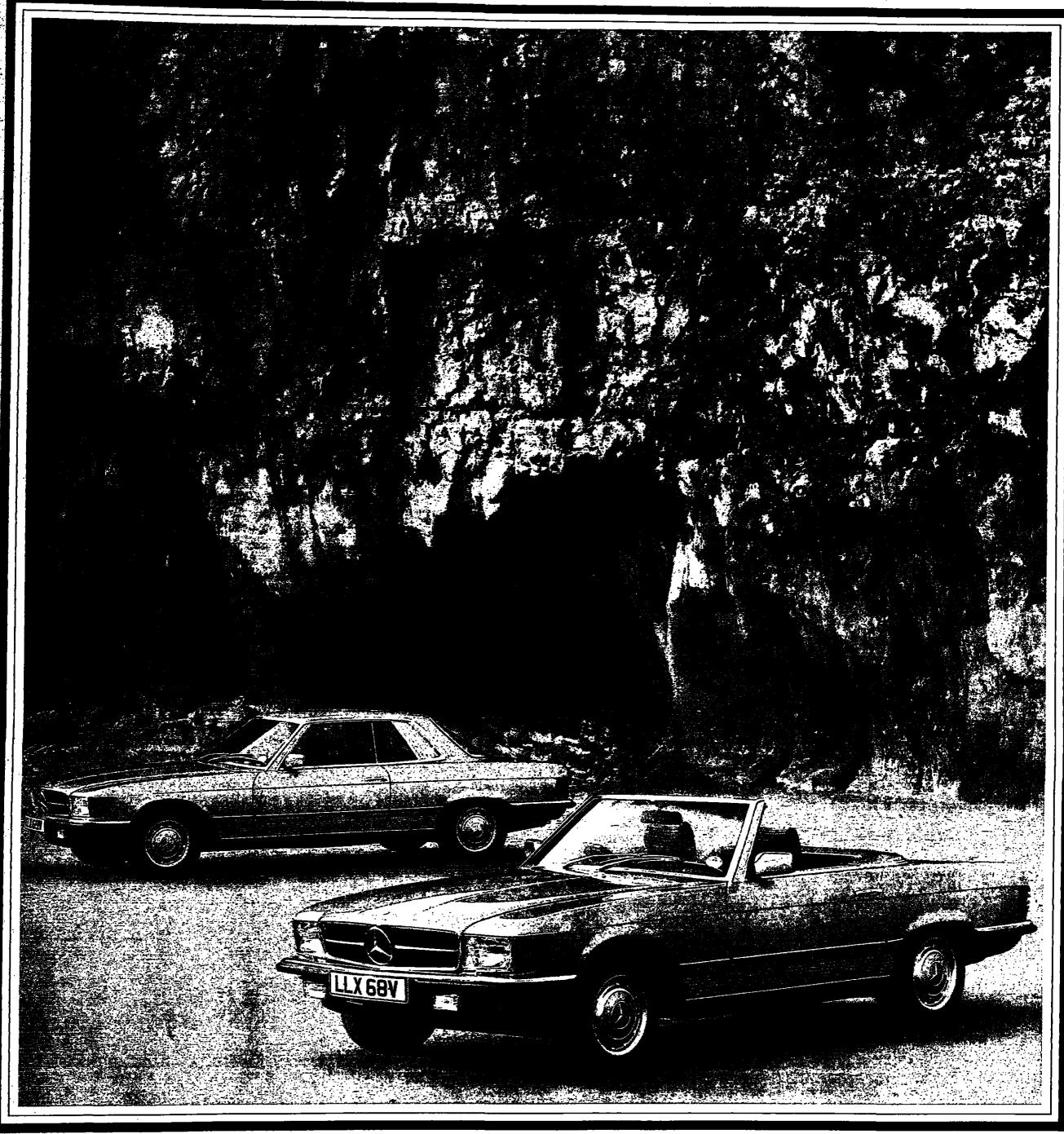
# high places

of Maylands Avenue Hemel Hempstead, Herts. HP2 70W (Hemel Hempstead 60101) and

is trailer mounted and battery

operated from the platform:





There are no better surroundings for Mercedes-Benzadvanced engineering than the sleek, spacious comfort of the SLC coupes and those leaders in sports car luxury, the SL's.

ably the most handsome cars on the road, the new advanced SLC's and SL's form a technically faultiess range.

Although dramatic new developments have taken place under the bonnet, the results have not been extravagant, over-powered cars of little practical value.

Top of the range, the 500 SL has benefited from our boldest engineering developments.

The merest touch of its transistorised ignition arousing a mighty 5.0 litre V8 fuel-injected aluminium alloyengine, developing 240 DIN/hp at 5,000 revs.

New aluminium engines will also be found in the 380 SL and 380 SLC.

This time a 3.8 litre V8 with fuelinjection, developing 218 DIN at 5,500 revs. As you'd expect, the new engines from Mercedes-Benz are not only very

# OUR WIDE NEW RANGE ENGINES COMES IN THES TWO SHAPES AND SIZES.

powerful, they're extremely sensible too.
So, while most other aluminium
engines have steel cylinder liners, ours
have cylinders lined with hard-wearing

have cylinders lined with hard-wearing silicon crystals. A refinement extending life expect-

ancy and efficiency.

Another advantage of these lightweight aluminium engines is, of course,

significantly improved fuel consumption.

All three models benefit from our rugged new torque converter automatic

transmission as standard.

The new 280 SEs and the SEC's both have 2.8 litre six cylinder, in line,

fuel-injection engines with twin overhead camshafts.

As always, increased performance and significant technical advances have not led to any radical modifications in the classic design.

You'll hardly notice the addition of the front spoiler on the SL's and the SLC's. And, the 500 SL's boot spoiler is anything but ostentatious.

However, once behind the wheel the difference is plain. A degree of sensitive handling that will surprise and enthuse any experienced sports car driver. While the rear spoiler gives noticeably improved

stability at high speeds. Two features that scientifically and systematically provide supremely efficient road holding and

greater safety. Not to be ignor

Not to be ignored when safety is being reviewed is the rigid steel passenger cell that was perfected and patented by Mercedes-Benz as long ago as the 1950's.

This cell is integrated with crumple zones at the front and rear which decelerate the force of the collision. So as you'd expect, the Mercedes-Benz SL's and SLC's are remarkably safe.

Of course no sports car made by Mercedes-Benz is purely sleek looks and power. Today's SLC's and SL's provide the ultimate combination of high performance, unthought of peace, quiet and luxurious comfort that for decades has been synonymous with the name Mercedes-Benz.



Mercedes-Benz

# A tale of two systems

BY LESLIE COLITT IN BERLIN

YEARS OF reporting from private wealth he found. Com- have sought to prove to the middle class houses in English the other industrial nations. fabricated housing from Rostock pelled the West Germans and to Tirana are monuments to the Japanese, has caused East mediocrity and unsocial plan- Germany to out-perform Britain ning. Little wonder that millions in industrial terms. of East Europeans yearn to niove into pre-war flats even though, under state ownership. they have decayed to the point where their middle class occupants live in slum conditions not unlike those of the poor in

#### Retail network

The visible contrast between Britain and eastern Europe is z enormous. In the Communist duct emerging from them, Eastcountries old and new factories ern Europe is anything but exproduce what will be the emplary in this regard, but sinews of an industrial society. priority is given to modern - Outward signs of prosperity plant and equipment which, in remain modest. In Britain the consumer society is in full bloom, with a highly developed and only rarely by British exretail network able to sell everybody's wares, including those of eastern Europe itself. East marvelled at the sight of skilled Europeans ask when they are workers taking their lunchtime going to reap the same rewards as the British have in their Now this may be a sensible "late capitalist" society. thing to do under the circum-

Although Britans still enjoy and output in the Comecon area is steadily narrowing the gap. East Germans and others in eastern Europe would be better off if their rigidly planned economies were unshackled, and if the onerous burdens of internal security and defence were lightened. Britons, on the other hand, would be worse off

World Bank statistics show those available in Britain (not ages in the East). But the World Comecon countries have come.

BBC 1

† Indicates programme

in black and white

6.40-7.55 am Open University

The key to success was not eastern Europe caused this socialism, but the same quality visitor to Britain to that has brought West Germany wonder at the many signs of where it is today. East Germans with the sprawling world that they are as able as towns, the slabs of parallel, pre- This motivation, which has pro-

My visit to one high techno-

logy factory in Britain proved fascinating after the many plants I had been through in both parts of Germany and in eastern Europe. Outward appearances often deceive, but the sight of a precision instrument factory housed in 70-year old buildings—albeit patriotic-ally topped by the Union Jack -would cause even an East European to suspect the promany cases is being provided by West German companiesporters.

In another British factory I break sleeping on their lockers. stances. But it is hard to greater prosperity, the higher rate of industrial investment imagine getting a German work-rate of industrial investment er—East or West—to snooze during his break, let alone on a hard steel locker.

## Rewards

During normal times the atmosphere tends to be more easy going in Polish factories. Workers there are even allowed pin ups on factory walls, howtoday if they could not draw on ever much that may conflict the great wealth created in the with traditional ideas of socialist morality.

As recent events have shown, Britain's per caput GNP in 1978 the Polish case is a good deal to have been \$5,030. The figure more important than that, Like for East Germany was \$5,660. Britain, Poland can draw Anyone who knows eastern strength from its history, · Europe will realise the difficulty though in the Polish case it in comparing the often inferior makes no obvious contribution goods in East Germany with to material well being. But the lesson of Poland goes deeper. to mention the frequent short. The recurrent waves of strikes -1970, 1976, and 1980-shows Bank figures do illustrate the that working for the future is long, hard road that the East not enough; sooner or later the Germans and most other people will want to see the rewards of its exertions.

# Soul searching at the cathedral

BY GARETH GRIFFITHS

phrase; its haunting 17th cen- rals, a range including St. tury tones summon up images Alban's. Worcester, Hereford of mellow country parish and Chichester. Between 150,000 churches, the mellifluous prose and 200,000 visitors are attracted of the 1662 Prayer Book and each year to Ripon's 800-yearthe purity of choral evensong at old cathedral, situated in the a cathedral. This image is now responsible for some serious scul searching in chapters pared to the equivalent of 21 throughout the land.

The cause of such soul searching is the vexed question St. Paul's receive in their peak of finance and in particular hour alone. whether cathedrals should introduce admission charges. Rev. Edwin Le Grice, as a Lincoln has introduced a 60p member of the Church Commisvoluntary admission fee for entrance and 20p for children. In the last four months only 125 of the 58,000 visitors a chapter of three canons, the

refused to pay.

Salisbury introduced admisdeputy, two vergers, a section, sion charges in 1974 when it and 30 volunteer guides.

The operating budget this charge from the control of the charge of 80p.

But there is considerable at this action, salaries. Cathedrals are first and foremost places of worship and tors make up the rest. Last quiet meditation. Churchmen year visitors gave £11,000 and divided over whether this year under the cathedral's

THE BEAUTY of Holiness is a one that does not charge. It a pressing need to increase ments. Charges for admission to behaviour of some coach opera-compelling but contrary presquintessentially.

Anglican is of the middle range of cathed-revenue from the tourists; he special parts of a cathedral are tors. The more responsible consumer. On the one hand, that

middle of a busy market twon. This is a small number comfully loaded jumbo jets of visitors that York, Canterbury and

The Dean of Ripon, the Very sioners, is very aware of the problems that cathedrals face. He runs Ripon with the aid of

visitor was 2p. It now charges year is about £75,000. Half if 30p for adults and 20p for funded from cathedral endow-children. St. George's Chapel, ments and investment of past has an admission gifts. One quarter comes from grants, mainly from the Church Commissioners who Ripon's congregation and visi-

cathedrals should charge and new Ministry of Welcome it is there is also opposition among hoped to double that sum. the non-church-going public.

Mr. Le Grice disapproves of

followed the example of Winchester, St. Alban's, Exeter and Chichester. The Ministry of Welcome format works by increasing the moral pressure on a tourists attraction does how-



visitors to pay a realistic dona-

Ripon has set the sum of 30p per visitor as a reasonable sum. A sign at the entrance to the cathedral points out simply that the cathedral needs 30p per visitor to maintain its work. The message is repeated in French, German and Dutch.

doubled since the scheme was introduced. In addition the lets its refectory out on a cathedral charges 15p admit-tance for its crypt exhibition of means a need for toilet facilities silverware and another 15p for and yet more expense. Ripon Cathedral in North admission charges. At the the library which houses a fine Like many cathedral authori-Yorkshire is perhaps typical of same time he realises there is collection of medieval docu-

common practice and have gained wide acceptance. Aesthetic considerations are

ever cause problems. Youngsters from language schools have a reputation for smoking inside the building and there have been examples of petty

The Dean decided to move the cathedral shop out of the church and across the road. Cathedral shops are generally good investments with profit margins on turnover of between 30 and 40 per cent. The stock at Ripon is typical of what most giftshops sell: guidebooks and postcards account for the bulk

Only one in ten visitors buys a guidebook, surprisingly mostly after the visit rather than before. Most purchases tend to be under £1 although the shop sells copies of the two records made by the Cathedral Choir. Ripon doesn't possess a teashop or restaurant. Turnover rench, German and Dutch. on restaurants is low, many Donations at Ripon have cathedrals lose money on their

tact the cathedral in advance sense of order depends on ing for foreigners, shepherd and he only has to look at the important at Ripon. Operating visitors through quickly and position in nearby York to

> whole group. concerned, however, at the in- the maintenance programme, accurate operators give their customers. To remedy the situation, the it will start again. Dean has recruited French

Sunday. But the chapter is not ties: the performers had to use keen on making too strong a the library. And the choir experience from the cathedral they visit. Many stay for more than one hour.

Mr. Le Grice believes strongly in the spiritual dimension of cathedrals as an attrac-tion for visitors. "We give tion for visitors. "We give complete priority to the sense of worship, beauty, order, catering facilities and York space. People come here because they are hungry for Church that architectural beauty and mystery and dignity; splendour is irrelevant to its we must not allow clutter or

but some, especially those cater- visitors not becoming a flood often try to pay just 30p for the know what that means to a sense of order. Equally the full-time The cathedral staff are more masons need to carry on with

information some scheduled to last until the end of the century, when no doubt Ripon has just completed reand German speakers to act as wiring some of the lights; visiting performers for the Harroguides. ing performers for the Harro-Tronically perhaps the least gate Festival highlighted the popular day for visitors is need for better changing facili-

difference between pilgrim and needs a new hall for practice. tourist. Research by the The money making potential English Tourist Board suggests of the cathedrals is therefore that a large majority of adult not ruled out of hand. A large visitors to cathedrals are in number of visitors wrongly search of a particular kind of assume the State provides grants but the clergy, like the BBC, are distrustful of money from this source. Clerical independence is a prized tradition.

The cathedrals are posed with a difficult problem. The Christian tradition is rather strong on money changers in the Temple but at the same time there is a strong feeling in the Church that architectural central message. Scant resources even money making to cheat need to be spent elsewhere on them of what they need."

need to be spent elsewhere on social work, training and meet-But the Dean is under two ing church salaries.

# Top fillies clash at Goodwood

LESTER PIGGOTT, who showed all his artistry and tactical staked claims to classic con-stage the more experienced sense as he dominated proceed-sideration and I believe that in Exclusively Raised is likely to ing at York, can make a further Exclusively Raised and Silken Knot the Waterford Candelabra inroad into Willie Carson's title lead at Goodwood.

The nine-times champion is expected to score on Iskannda-roun and Exclusively Raised before going on to take the reluctant Our Home to success the Gordon-Lennox filly stakes.

There has seldom been more

## RACING

BY DOMINIC WIGAN

two-year-old colts mediocre bidding for top juvenile with the exception of honours, To-Agori-Mou, but the same

cannot be said of the fillies. Several highly promising

pm Dan Draed. 4.45-5.05 Lladron

Donaw. 5.55 Wales Today. 6.20 Cartoon. 6.25-6.35 Newyddion.

News for Wales. †10.56-12.30 am The Late Film: "Angels One-

Scotland; National News.

sively Raised has achieved most to date. Runner-up to the brilliantly speedy Tolmi on her racecourse debut this Americanbred filly went on to treat her six opponents in the Sweet Solera Stakes with contempt

Stakes has attracted two more

Sir Gordon White's Exclu-

destined to reach the top.

early last month. Silken Knot's only race to date was in the six furlong Virginia Water Stakes at Ascot 12 days before the Sweet Solera. In spite of looking badly in need of the run, and showing signs of greenness as she looked about at half-way,

authority and in a surprisingly fast time. Silken Knot will relish the

6.30 Thames Sport. 7.00 Winner Takes All.

8.00 Vegas. 9.00 The Spoils of War.

10.30 End of Part One.

10.00 News.

11.30 Side Street

7.30 How's Your Father?

11.00 Mary Hartman, Mary

with Rudolph Walker.

All IBA Regions as London

except at the following times:-

ANGLIA

9.25 am Animated Special. 10.10
Taliy. 10.40 Clapperboard. 11.05 Call
It Macaron. 11.30 The History of the
Motor Car. 11.56 Cartoon Time. 1.20
pm Anglia Newt. 3.45 The Electric
Theatre Show. 5.15 Ainght Now. 6.00
About Anglia. 8.00 Charlie's Angels.
10.30 Speedway. 11.00 Soap. 11.30
Friday Loto Film: "See How They
Run." 1.15 am Men Who Matter.

ATV

9.35 am Something Different. 9.50. The Masterbuilders. 10.20 The Galway Way. 11.05 Kidsworld. 11.30 The Human Face of China. 1.20 pm ATV Newsdesk. 3.45 Stors on Ico. 5.15 Loverne and Shirley. 6.00 ATV Today. 8.00 Hawbii Five-0. 10.30 WKRP in Cincinnati, 11.00 ATV Newsdesk. 11.05 Movie Premiere: "Spectre."

BORDER

9.30 am Wer's Aweigh. 10.00 Horses In Our Blood. 10.30 Portrait of the Artist. 10.40 Chapperboard. 11.05 Chaper Squad. 11.50 Carnoon Time. 1.20 pm Border News. 3.45 Stars on Ice. 5.15 Happy Davs. 6.00 Lookaround Friday. 6.30 Superstar Profile. 8.00 The Streets of San Francisco. 10.30 Issue. 11.00 The Late Film: "Voices." 12.35 am. Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 3.45 Enterorise. 5.15 Father. Dear Father. 6.00 Channel News. 6.15 Horses In Our Blood. 6.35 Entere. 8.00 Have Girls Will Travel 10.28 Channel Lete News 10 36 Jack on the Box. 11.05 TV Movie Premiere "The Violent Ones." 12.45 am News and Weather in Freich

GRAMPIAN

GRANADA

the Berkshire filly won with

first-season fillies have already additional furlong, but at this be too sharp for her.

There is no pretending that Our Home ranks among the most resolute fillies in training, but the fact remains that she possesses far more ability than most. If Piggott can persuade her to exert herself to even half-pace in the Gordon-Lennox Maiden event, she should win without unduly tiring herself.

> GOODWOOD 2.00—Ceramic 2.35—Red Gold\*\* 3.05—Iskanndaroun 3.35—Exclusively Raised\* 4.05—Our Home\*\*\*

NEWMARKET 2.30—Clear Verdict 3.00—Overseas Admirer 3.30—Selsdon Park

4.40—Alpaga

5.00—Mickey Tim

9.55 am Survival. 10.20 Animated Classics. 11.00 Sesame Street. 1.20 pm HTV News. 3.45 Stars on Ics. 5.15 Alright Now. 6.00 Report West. 6.30 WKRP in Cincinatti. 8.00 Tenspeed. and Brown Shoe. 10.28 HTV News. 10.35 The Good Neighbour Show. 11.05 Chapper Souad Chopper Squad.
HTV Cymru/Wales—As HTV West/
HTV General Service except: 11.55 am12.10 pm Cei Cocos. 4.15-4.45 Y Car
O'R Cychwyn. 6.00 Y Dydd. 6.15-6.30
Report Wales. 10.35-11.05 Preview. SCOTTISH

9.30 am The Story of Wine, 10.00 Horses In Our Blood, 10.25 Portrait of the Artist, 10.35 Clapperboard, 11.05 Charlle's Angels, 11.55 Cartoon Time, 1.20 pm News and Road and Weather, 3.45 Electric Theatre Show, 5.15 Circus, 8.00 Scorland Today News and Festival '80, 6.30 Mork and Mindy, 10 30 Festival Focus, 11.15 Late Call, 111.20 Late Night Movie: "The Hand Of Night." SOUTHERN

9.30 am Wild, Wild World of Animals. 9.55 Chooper Squad, 10.35 Clapperboard. 11.05 The Mackenzie Affeir, 1.20 pm Southern News. 3.45 Anor. 1.20 pm Southern News. 3.46
The Enterphiers. 5.15 Happy Days.
6.00 Day By Day. 6.00 Scene SouthFast (South-East Area only). 6.30 Tell
Me Another. 110.35 "The Fallen Idol,"
staring Raich Richardson. TYNE TEES

Of Night,

PYNE TEES
9.20 am Tho Good Word, followed by
North-East News. 9.30 Hands. 9.55
Chopper Squad. 10.40 Clapperboard.
11.05 The Red Baron. 1.20 pm North-East Nows and Lookaround. 3.45 The
Wild, Wild World of Animals, 5.15
Struck By Lightning. 6.90 North-East
News. 6.02 Sportstime. 6.25 Norther
Life. 8.00 The Incrodible Hulk. 10.30
North-East News. 10.32 Film of the
Wesk: "Countess Dracula." 12.45 am
Meet the Faith.

ULSTER

9.30 am Weir's Aweigh, 10.00 Horses
In Our Blood, 10.25 Portrait of the
Artist, 10.40 Clapperboard, 11.00
Sesame Street, 1.20 pm Lunchtime,
3.45 Stars on toe 4.13 Uister News
Headlines, 5.15 Anna and the King,
6.00 Ulster Television News and
Sport, 6.30 An Exceptional Child,
8.00 The Incredible Hulk, 10.29 Uister
Worther 10.30 Writness, 10.35 Fridey
Film: "Stranger On The Run." 12.20
am Bedtime.

PVESTWARD

9:20 am Weer's Aweigh, 10.00 Horses, In Our Blood 10:25 Animal Homes, 10:35 Chapperboard, 11:05 Portreit of the Artist, 11:15 The Beatles, 11:40 The Poetry of Landscape, 12:27 pm Gus Honeybim's Birthifavs, 1:20 Westward News Headlines, 3:45 Enterprise, 5:15 Father, Dear Father 6:00 Westward Diary, 8:00 Have Girls Will Travel, 10:32 Westward Lite News, 10:35 Jack on the Bos 11:05 TV Nevice Premiers. The Volent Ones, 12:45 am Faith For Life, 12:50 West Country Weather and Shipping Forecast.

9.30 am The Challenging See. 9.50
Targan. 10.35 Clapperboard. 11.00
Sesame Street. 4.20 pm Granade
Reports. 3.45 Survival. 5.15 A Sharp
Intake of Breath. 6.00 Granada Reports
News. 6.05 What's the Word? 6.35
Crossroade. 10.30 Kick Off. 11.00
Soep. 11.30 The Continental: Sophia
Loren In "The Priest's Wife."

FORTUNE. S. CC. 01-836 2238. Eves. 7:30. Wed. 2:30. Sat. 4:00 and 8:00. JAMES AUBREY and PATRICK MAGEE in Marlowe's Masterplece DR. FAUSTUS, Now over 100 performances. GARRICK CC 01-836 4601, Evgs. 8.00, 15hard Fr. and Set. 5.30 and 8.30, WILLIAM FRANKLYN in Ira Levin's DEATHTRAP. GLOBE THEATRE, S. CC. 01-437 1592.
Group sales 379 6061. Eves. 8. Mar.
Wed 3 Sats. 5 and 8.15. Berry Reid.
Barry Fester Peter Bowles. Jan Waters
in a new play by Peter Nichols BORN
IN THE GARDENS. HAYMARRET. Thezir: Royal, CC. 01-930 923. Even 7-45. Wed. 2.30. Sat. 4.30 and yellow LEGMARD ROSSITER. PROUNTLIA. SCALES IN MICHAEL FRAYN'S MAKE AND BREAK. Directed by MICHAEL BLAND BREAK. Directed by MICHAEL BLAND BROKE. LYRIC HAMMERSMITH, CC. 01-741 2311 E675 7.30 John Gay's Claske musical Titz BEGGAR'S OPERA, Book Now! LYRIC STUDIC: 5 Deris only from Mon. at 8 MARIKA'S CAFE THEATRE, Book Now!

LYRIC. S., CC. 01-437 3636. Opens Sept. 2. 7.0 sub evgs 8.0. Sat. 5.30 & 8.30. DIMSDALE LANDEN, NICOLA PAGETT IN ALAN AYCKBOURN'S TAKING STEPS. Directed by Michael Rudman, Group sales box office 01-379 6061.

OLD VIC. 928 7515. CC 261 1821. S. Reosera Sept. 2 with PETER O'TOOLE as MACRETH directed by Bryan Forbes. TOAD. Now bits. Dec. 15 to Jan. 17.

OPEN AIR REGENT'S PARK, CC. S. 486
2431. Shaw's ANDROCLES AND THE
LIDN tonight 8 00. A MIDSUMMER
MIGHT'S DREAM, Last peris 5at 2.30
7.45. SWEET MR. SHAKESPEARE IURCHIMO today 1.15. Company Blay Arundel
Festival. Next Work return with extended
week of ANDROCLES AND THE LION
Scpt 1st.

PALACE S. CC. 01-437 6834. RODGERS & HAMMERSTEIN'S OKLAHOMAI Only 4 weeks to opening. Sept. 17. Group sales flow Office 379 6061.

PALLADIUM, CC. 01-437 7373, YUL BRYNNER IN RODGERS & HAMMER-STEIN'S THE KING AND I. ALSO STEIN'S THE KING AND I. HOTLING 01-437 2055, EYSG. 7.80, Mat. Wed. and Sat. 2.15.

# ENTERTAINMENT

ROYAL FESTIVAL HALL 928 3191
Until Sept. 4. LONDON FESTIVAL
BALLET Eyg. 7.30. Mat. Sat. 3. Ton's
Tomor. COPPELIA Tonight: Mulligan,
von Loogenburg. Long. Aug. 25-28:
Melamorphoses. Moreland. Graduation
Ball. Aug. 29-30: Three Preludes. 1914.
Moroland. Graduation Ball.

ALDWYCH, S. 836 5404, CC. 379 6213 (10-5, Sars 10-4), Info 838 5332, Fully air constitioned ROYAL SHAKESPERGE COMPANY Ton't, Tomor, Mon, Tuest COMPANY Ton't, Tomor, Mon, Tuest Company of The Tomor, Mon, Tuest Company of The Warehouse and Piccadilly Theatres, Warehouse and Piccadilly Theatres.

AMEASSADORS TH. S. 836 1171, CC. 379 6365. Eves 8. Fri. & Sat. 6.00 & 8.40 sharp. HAROLD PINTER'S THE 8,40 sharp. HOTHOUSE,

APOLLO THEATRE. S. CC. 01-437 2663. Pardes 01-379 6061. Mon.-Fri. 8.00. Sars. S.O and 8.15. MICHAEL SOUGH, PHYLLIS CALVERT IN SEPORE THE PARTY by Rodney pirected by TOM CONTI. LAST WEEK. Season ends Aug. 23. Middle Age Spread trans, here Sept. 1.

accepted 01-335 0056. Creek Carras accepted 01-335 7049. Mon-Fri. 8.00. Thurs. 3.0. Sat. 5.00 & 8.30. LAST SWERKS—No peer, Aug 25. CHICAGO ELIZABETH SEAL, JACQUIE TOYE, COLIN BENNETT. HOPE JACKMAN. BRIAN HEWLETT. LYNETTE BENTLEY. Anti-initiation policy! Seats at £1.50. £2.50. £4.00 in stalls and Royal Cirde. Group sales 379 6061 & 836 605. Student Nurses OAPS Standow £1.50. JOAN COLLINS HOTLINE. 240 5679. West End debut Oct. 21. Book Now.

CHICHESTER FESTIVAL THEATRE 0243
781312. Sesson sponsored by Martini
& Rossi Ltd. OLD HEADS & YOUNG
HEARTS. Ton't. Tomor (m). MUCH ADO
ABOUT NOTHING TOMOR EVgs. 7.00.
Mals, Thurs. & Sat. 2.00.

CRITERION, 930 3216. CC. 379 6565. Group bkgs, 379 6061 or 836 3962. Eves, 8. Frl. and Sat. 6 and 8.45, Al-conditioning. Roble Ray, Jonathan Adams, Martin Connear, Trida George in TOMPOOLERY, the words and music and lyrks of TOM LEHRER.

DUCHESS TH. CC. 01-836 8243. Gra sales 379 5061. Evs. 8.00. Sar. 5.30 and 8.30 Thurs. Mats. 3.00 (No peris. this Mon. Tuc. Wed. only). MARIA ATTKEN. MICHAEL JAYSTON IN Neel Coward's PRIVATE LIVES.

THEATRES YOUNG VIC 928 6363, Evel 7.30. Ten's Tues, Wed. Tom Scopped's TEAL INSPECTOR HOUNDAFFER MAGRITIC Tomor. Thur. FT. ROSENCRATIZ AND GUILDENSTERN ARE DEAD. All seas £2.

CINEMAS

L 11.00. AIRPLANE! (A) Wk. & Sun. 2.00. 30. 8.15 Late show Tonight & Set. 5.00. 8.75 LOVE MICHAELENT 11.15 CLASSIC ENTERTAINMENT Teledata 01-200 0200

CLASSIC 1. 2. 3, 4, Chelsea, King's Rd. 01-352 5096. (A). PTOES JUIN 8.15.
S: Monty Python's LIFE OF BRIAN (AA), Progs. Sun. 6 Wk. 2.80. 4.40. 8.10.
4: THE TEMPEST (AA). Sun. 6 Wk. 2.30, 5.40. 8.20. CLASSIC 1, 2, 3, Haymarket (Piccedilly Circus Tube), 01-539 1527, 1: DR. ZHIVAGO (A), A 70mm Presenta-Fion, Sep. perts, 2.00, 7.00, 2: THE BLACK STALION (A), Pross, 1.00 (not Sun.) 3.20, 5.55, 8.25, 2: CANT, STOP THE MUSIC (A), In Dolby Stereo Progs. 1.40 (Sun, from 2.301, 4.40, 7.45,

CLASSIC 1, 2, 3, 4, 5, Oxford St. 01-636 0310 copp. Totenbarn Court Rd. Tube). Fully air conditioned. 1: BREAKING GLASS (AA). In Doby Stereo. Progs. 1.10, 3.30, 5.55, 8.20. 2: LITILE MISS MARKER (U). Progs. 12.50, 3.20, 5.55, 8.25.

3.50, 5.55, 6.25, 4: AIRPLANE (A). Pross. 1.00, 3.15, 5.35, 8.00. 5: THE LORD OF THE RINGS (A). Sep-perts. 2.00, 5.00, 8.00. GLASSIC, Leicester Square, 01-930 5915, ZOMBIES—DAWN OF THE BEAD (X), 1,40 tnot Sun.), 4,55, 815, THE GREAT BRITISH STRIPTEASE (X), 3.50, 7.05.

**ART GALLERIES** EFEVRE GALLERY, 30. Bruton St., W1. 01-493 1572-3, 19th-and 20th-Century Paintings and Watescolours on view. Mon.-Fri. 10-5. MARLBOROUGH GALLERY, 8, Albermarle Street, WI. Important Works by AUER-BACH, BACON, BRAQUE, ERNSST, FEININGER. HEPWORTH, KITAI, MOORE SCIELE, SCHWITTER, SUTHER, LAND BRILL 29 Aug. MOR.-FI, 10-5.30. SH: 10-12.30. MATHAF GALLERY, 24. Motcomb Street. London, 5W1, 235 0010. Exhibition of Conferencery paintings of Kuwalt, Oman and Saudi Arabia. FIELDEOURNE GALLERIES, 63. Oueress Grove, NWS. 566 3600. ENGLISH LANDSCAPES 1976-1980. DAVID HOCKNEY, Modern Graphics. The Arun Art. Centre. Arondel. West Sussex. August 23-September 27. Closed Sun-days and Bank Holiday.

# CLASSIFIED ADVERTISEMENT RATES

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BBC Cymru/Wales - 1.30-1.45

Noah and Nelly. 9.45 Jackanory. 10.00 The All New Popeye Show. 10.20 Take Hart. 10.40 Cricket: The Prudential Trophy: England v Australia, 1.15 pm News. 1.30 Bod. 1.45 Racing and Showjumping. 4.18 Regional News for England (except London). 4.20 Play School (as BBC-2 at 11.00 am). 4.45 Buford Files and Dinky F.T. CROSSWORD PUZZLE No. 4.355

ACROSS 1 Preserve her topside of beef using a vegetable for flavour-5 Synod to take to task (7) 9 A lariat or part of lariat

11 Apiarist is to maintain European leader in drink (9)
12 Ghastly cover around old city

13 Fleet Street district with

10 Accuse male leader of gang

aimed (5)

little latitude for distinction 15 Instruction that's outspoken and I have to follow (9)
18 Gut short and dog followed

19 Vitality right for a long sentence (5) 21 Gather herb around church

23 Clean a judge's bench in transport (9) 25 Set a price on a prize initially commended (9)

26 Excuse a politician I must go after (5) 27 Jailer getting the bird about noon (7)

> of entertainment for relexation of strained relations (7) DOWN

28 Some French wine and start

1 A short paragraph qualified to finish a story (7) 2 Cha-wallah should make a

ing notice (5)

Z H V S P M A I EARMEST STOPPER E E R E Y O I O DOMMSIDE DRAGOM 3 Artfully avoid woman hold-

Dog. 5.05 We're Going Places. 5.15 Hev Look . . . That's Me! 5.55 Nationwide (London and 10.15 Valentine's Night.

South East only). 6.35 Encounters with Animals.
7.25 The Awakening Land.
9.00 News.
9.25 Starsky and Hutch.
Scotland. 10.15 The Beeching Scotland.

6.40-7.55 am Open University (Ultra high frequency only), 9.40 10.15 I Didn't Know You Cared grove Gardeners' Roadshow from (London and South East Aberdeen, 10.45-10.50 News for 10.45 Regional, National News. †10.50 The Late Film: "Pimpernel Smith," starring Leslie

All Regions as BBC-1 except as

4 Decelerate using rear of the

5 Seat from which to control a

6 Candied leaf-stalks left are

8 Family of frogs scurried

14 Deal in foreign currency of

16 In the very act, as the bridge

17 Higher prices could be blow-

18 Fruit that's prevalent we

20 Bend backwards and rest (7)

22 Dance that may be saucy?

23 Easy to make copper chary

24 A piece that's separate (5)

Sclution to Puzzle No. 4,354

OFFISH BELLOWER

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FMATT SAMI I FE

FULGEMT TAKINGS

S L P A R E C T

HEAT BREAKBREAD

O P B T C L FE

ORATED STRANGE

TRANGE

STATION DEMIER

player may wish to be (3-6)

with wrong idea (7)

firm brand (9)

ing up (9)

hear (7)

One who trains me in pitch

foot (4-5)

meeting (5)

heavenly (9)

Northern Ireland-1.18-4.20 pm Northern Ireland—1.13.4.20 pm
Northern Ireland News. 5.55-6.20
Scene Around Six. 10.15 The
Fortune Tellers. 10.45-10.50
News for Northern Ireland;
National News. 12.55 am News
and Weather for Northern England — 5.55-6.20 pm Look

East (Norwich); Look North (Leeds, Newcastle); Look Northwest (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 pm East (Norwich) Weekend: Midlands. (Birmingham) Dennis McCarthy's Weekly Echo; North (Leeds) Direct Line; North Eas! (Newcastle) Quayside 900; North West (Manchester) Henry Royce Drove Home; South (Southampton) Wogan in Brighton; South

West (Plymouth) Be My Guest; West (Bristol) Day Out. BBC 2

6.40-7.55 am Open University. 11.00 Play School. 1.20 pm Cricket: The Pruden-tial Trophy: England v Australia.
7.30 Mid-Evening News includ-

ing subtitles.
7.40 Dallas. 8.25 Gardener's World. 9.00 Molière 9.55 Festival 80 from Edin-

burgh. 10.45 Newsnight. 11.30 Cricket: The Prudential Trophy (highlights), †12.00 The Outer Limits.

LONDON 9.30 am Rocket Robin Hood. 9.50 The Nature of Things. 10.40 Story Hour. 11.30 The World We Live In. 11.55 Beany and Cecil Cartoon. 12.00 A Handful of Songs. 12.10 pm Once Upon a Time. 12.30 Home-made for the Home. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Emmerdale Farm. 2.00 Houseparty. 2.25 Racing from Newmarket, covering 230, 3.00, 3.30 races. 3.45 The Andy Williams Show. 4.15 Follow Me. 4.45 Runaround. 5.15

Take My Wife. 5.45 News. RADIO 1

(a) Stereophonic broadcast

† Medium wave

5.00 am As Radio 2. 7.00 Mike
Read. 9.00 Simon Bates. 11.00 Andy
Peebles with the Radio 1. Roadshow.
12.30 pm Newsbeat. 12.45 Paul Burnett.
2.00 Peter Powell. 4.37 Richard Skinner. 5.30 Newsbeat. 5.45 Roundtable.
7.30 Paul Jones. 9.50 Newsbeat. 10.00
The Friday Rock Show (a). 12.00-5.00
am As Radio 2.
DANIO 2

RADIO 2 RADIO 2
5.00 am News Summary. 5.03 Stave
Jones (s). 7.32 Ray Moore (s). 10.03
Jimmy Young (s). 12.03 pm Devid
Hamilton (s). 2.03 Ed Stewart's
Request Show (s). 4.03 Much More
Music (s). 6.03 Bob Kilbey (s). 8.02
The Victor Sylvester Orchestra at the
Radio 2 Ballroom (s). 8.45 Fridey
Night is Music Night (s). 9.55 Sports
Desk. 10.02 Ded's Army. 10.30 The
Organist Entertains. 11.02 Brian
Matthew with Round Midnight at the
Edinburgh Feetival, including 12.00
News. 2.02.5.00 am You and the Night
and the Music (s). RADIO 3 RADIO 3
6.00 am News Briefing. 6.10 Farming
6.05 am Weether, 7,00 News, 7.05 Today, 6.25 Shipping lorocast, 6.30

Overture (s). 8.00 News. 8.05 Morning Concert (s). 9.00 News. 9.05
This Week's Composer: Prokolicy (s).
10.00 The Junier Symphony by Mozart
(s). 10.40 Cricket: The Prudential Trophy: England v Australia, including 1.00 pm News, 1.05 Cricket scoroboard. 7.30 Proms concert, part 1 (s). 8.25 Theatre Street (the autobiography of Tamara Karsavina). 8.49 Proms, part 2 (s). 9.50 Domingus poetry reading (s). 10.15 Late-Romantic Songs (s). 10.45 One Pair of Ears. 11.00 News. 11.05-11.15 Vivaldi (s).

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Wesk: "Count Meet the Faith. ULSTER

WESTWARD

GRAMPIAN

9.25 am First Thing, 9.30 Weir's
Aweigh, 10:00 Horses in Our Blood.
10:25 Portrait of the Artist. 10:35
Cleoperboard, 11:00 Logan's Run, 1.20
pm North News, 3.45 George Hamilton
IV, 6:00 North News, 6:10 Ficir. 6:30
Thinguranwing, 9:00 BJ and the Bear,
10:30 The Export Scotch, 11:00 The
Fridey Late Night Film, 12:30 am
Reflections, 12:35 North Hoadlines and
Road Report. YORKSHIRE \*\*SORKSHIKI:

9.30 am The World We Live In. 9.95
The Neture of Thens. 10 48 Spiderman.

11.05 Chopper Squad. 11.55 The
Bubblies. 1.20 pm Celendar News.

3.45 Stars on ice. 5.15 An Exceptional
Child. 8.00 Calendar (Emley Moor and
Belmont editions). 6.35 Calendar Sport.

8.00 Charlie's Angols. 10.30 "Lawronce
Of Arabia" (part 2). 12.15 am Polica
Sureagon.

Surgeon.

Today, including 6.4S Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines, 7.45 Thought for the Day, 8.45 Blasting and Bembardlering, 8.59 Continental Travol. 9.00 News. 9.05 Desert Island Discs with Stephen Sandheim. 9.45 Feedback, 10.00 News, 10.02 International Assignment, 10.30 Daily Service (s), 10.45 Stept Time, 11.00 News, 11.05 Catch Me a Burterily, 11.50 Netural Selection, 12.00 pm News, 12.02 You and Yours, 12.27 The Year in Question, 12.55 Weather: programme news, 1.00 The World at One, 1.40 The Archers, 1.55 Shipping forecast, 2.00 News, 2.02 Woman's Hour, 3.00 News, 3.02 Usten iWth Mather, 3.16 Afternoon Theasto, 4.10 Faraway Food, 4.40 Preview, 4.45 Short Story 5.0 PM News magazino, 5.50 Shipping forecast, 5.55 Weather; programma news, 6.00 News, 6.30 Genny Places, 7.00 News, 6.30 Genny Places, 7.00 News, 6.30 Genny Places, 7.00 News, 9.31 Letter From Amorica, 9.30 Kaleidoscope, 9.59 Weather, 10.00 The World Tonight, 10.35 Injury Time (s), 11.00 A Book at Bedtime, 11.15 The Financial World Tonight, 11.30 John Wolls On. 11.45 Friday Treat, 12.00 News, 11.45 Friday Treat, 12.00 News, 11.45 Friday Treat, 12.00 News, 11.45 Friday

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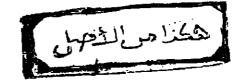
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# FINANCIAL TIMES SURVEY

Friday August 22 1980

# Offshore Technology

The North Sea has become the main proving ground for the many advanced technologies involved in offshore oil operations. Knowledge gained is that much more valuable because undersea recovery is likely to be a major supply source for an oil-hungry world.

# Growth of a vital sector

By Ray Dafter Energy Editor

else would the North Sea be cost \$50m. but offshore?). But they have put their finger on a vital and growing sector of the world oil

During the next 20 years off-shore discoveries could account for between a third and a half (it was brought on stream in the st of all the world's new oil 1975), cost an estimated \$2.68bn reserves, Much of this oil will to develop. As it is now producbe found in regions outside ing oil at the peak rate of those covered by the Organisa- 500,000 b/d, the cost-per-barrel tion of Petroleum Exporting of Forties is seen to be about Countries (OPEC).

Paradoxically, oil companies are being both driven and project to be approved by the encouraged to search for new reserves in hostile offshore con- Continental Oil's adventurous ditions. On the one hand they Hutton Field developmenthave become concerned at their shows there has been a further loss of influence in the tra-ditional producing areas of the pected that Hutton will cost Middle East, Africa and South £600m (around \$1.4bn) to ex- According to officials of the UK America. They have seen OPEC ploit and that its peak produc- Offshore Supplies Office—the withstand wind speeds gusting

their involvement in both pro- this basis the development costs ment set up to help in the tain wave heights of 100 feet, would enable them to exploit duction and trading activities, work out at \$15,800 per daily development of Britain's own. The search for hydrocarbons fields at that depth. duction and trading activities. Between 1970 and 1979 governments' share of crude oil proments' share o duction increased from 6 to 55 decade ago. per cent. Those hit hardest were the major international oil companies which once handled 60 per cent of non-Communist world oil supplies outside North America. This was oil produced by them and sold to them under contract. Their share today is barely 40 per cent.

But at the same time OPEC has raised prices to a point where it is now commercially attractive to search for and produce oil from deep-water fields. In the early 1970s it was costing the industry roughly \$500 in THE ORGANISERS of the Off-shore North Sea Conference and each daily barrel of new pro-Exhibition, to be held in ductive capacity. In other Exhibition, to be held in ductive capacity. In other Stavanger, Norway, next week words, to exploit a field capable (August 26-29) may have of producing 100,000 barrels a adopted an odd title (where day (b/d) at peak would have

> Offshore development - particularly in the North Sea-has altered the scale of costs. British Petroleum's Forties

The latest North Sea oil UK Energy Department—

#### Yardstick

yardstick. Government officials have worked out that up to the end of last year it was costing the industry on average \$8 to produce each barrel of North Sea oil. For fields under development at the end of 1979 the average was nearer \$10 per barrel. In some cases the costs were as high as \$23 a barrelclearly a figure that could only be justified with today's high

These statistics are not only relevant to companies and governments with interests in the North Sea. They are of interest to all countries with harsh offshore operating condi-

The U.S. and Canada may have been in the van of oushore oil development but when it comes to exploiting some of their exposed offshore areasparticularly in the north-they have much to learn from the North Sea industry. It is notable how Chinese delegations have been showing deep interest in technology which could be transferred from the North Sea to the Yellow and South China

For undoubtedly the North Sea has become one of the world's most important centres of the offshore oil business.

for about a quarter of the orders (in value) placed by the offshore oil industry.

Since the value of UK orders The new Energy Department for goods and services reached "Brown Book" on offshore 52.7bn last year it would appear statistics provides a further that the world offshore oil world offshore oil that the supply market is now running at about £11bn. It could be worth much more.

Like Norway, Britain has been keen to see that its local manufacturers and service companies obtain the lion's share of North Sea orders. To this end the UK offshore operators have agreed to give British companies a "full and fair oportunity" to compete for contracts. Last year the UK supplies industry its biggest share of North Sea oil business-£2.1bn or 79 per cent of the total. This compared with a 66 per cent share in 1978 and an estimated 25 to 20 per cent back in 1973.

It is estimated that between 1965 and 1979 the oil industry invested £11bn-or over £15bn at 1979 prices-on exploration and development in the UK sector of the North Sea. Last year capital investment in oil and gas production was about £2bn, or approximately 6 per

cent of total UK investment.

But the North West European Continental Shelf, and the North Sea in particular, is not only a source of business for the oil supply industry. It is a test-bed for the oil industry

Oil production platforms in the northerly part of the North Sea have to be designed to member governments increase tion rate will be 90,000 b/d. On division of the Energy Depart to 160 miles an hour and sus- developed

The search for hydrocarbons is also taking UK operators into

some of the deepest water ever gas industry. British National Oil Corporation (BNOC), for instance, is currently leading a group of 19 companies in the drilling of a particularly deep well in the Rockall Trough. The group, which also includes British Gas Corporation, is using the dynamically positioned drilling ship Discovery Seven Seas, to sink a well through 4,512 feet of water.

The water depth is 21 times the previous record for offshore drilling in UK waters. The previous record was set in April when Shell sunk a well in 2.004 feet of water in block 206/2 west of the Shetland Islands. This well in turn almost doubled the previous record of 1,142 feet of water set by British Petroleum on block 211/2 in the northern North Sea in October 1977. It is worth noting that in 1964 the record stood at just 88 feet. then held by Amoseas on block

#### Geology

In reasonably favourable con-

ditions, such as those found in the Gulf of Mexico, a fixed steel platform can be installed in 1,000 ft of water. This is the case in Shell's Cognac Field. The deepest development to

be attempted with a fixed platform in the North Sea is British Petroleum's Magnus Field on blocks 211/12 and 211/7 in the northerly part of the UK licensed area. Here the water depth is 610 ft. BP thought long and hard

about installing a tension leg platform — a floating system tethered to the seabed by mooring lines secured under tension. BP says that its system, developed with Vickers Offshore, should be capable of exploiting fields in over 1,150 ft of water. In the end BP decided to stick with known fixed platform technology for Magnus. It was left to Conoco to be the of its kind in operation anywhere in the world.

But BP may still break new oil production ground with its It should be stressed that System (SWOPS) announced BNOC and its partners are not earlier this year. Here BP will primarily looking for oil in its use a converted oil tanker, or deep well on block 163/6.

Indeed it is termed a "stratigraphic information well," out an extended test on a large
which means the consortium is
mainly aiming to learn about
the geology of the area. But
it remains a moot point as to
what would happen if BNOC
struck oil in any quantity. It is
outside a converted oil tanker, or
a purpose-built vessel, to exploit
below the stratigraphic information well," out an extended test on a large
which means the consortium is
field. A pipeline would be
lowered from the tanker to a
sub-sea well system. Once the
pipeline riser was locked in
position, the tanker would
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positioning thruster motors. Once the tanker was full it would raise the riser pipe and sail to a terminal with its cargo. It is reckoned that SWOPS could produce oil at a rate of up to 20,000 b/d.

It is understood that BP has been examining the possibility of using the SWOPS system on Forties Field. It has also been reported that SWOPS could be adopted for an extended test programme on the big heavy oil find west of the Shetland Islands, or perhaps in the Porcupine Basin off Ireland's Atlantic coast.

#### Fractured

With its partners Chevron and Imperial Chemical In-dustries, BP has already been involved in some novel production tests on the big West Shet-land heavy oil discovery, un-officially named the Clair Field. In order to boost the oil flow pioneer on the Hutton Field. rate BP fractured the reservoir portant areas for offshore tech-The tension leg platform to be rock with a liquid pumped nological development lies in installed there will be the first under high pressure. The rethe sphere of sub-sea well comsultant cracks were then kept open by injected grains of sand. In this way oil was produced at a rate of about 2,000 b/d—2} times the natural flow rate.

The fracture testing, announced earlier this month, followed within weeks a similar experiment conducted by Chevron and BP on the South Ninian structure, 100 miles north-east of the Shetland Islands. This too was a successful operation. Oil flowed at rates of 3,688, 100, 4,874 and 6.520 b/d respectively at four depths.

Given time, other production questionable whether oil comoil storage tanks. All the while experiments will be tried in the and utilise bold new technopanies would find any ready the ship would be kept in posiNorth Sea "test bed." Techlogy to exploit the hard-to-get
developed technology that tion by means of dynamic nicians at Royal Dutch/Shell oil.

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Holland believe, for instance, that enhanced oil recovery using injected chemicals or special gases could add about a fifth to the amount of oil now considered ultimately recoverable from North Sea reservoirs. Significantly, BP is already carrying out enhanced recovery experiments in onshore oil fields in the Midlands to see if processes can be adopted offshore.

However, one of the most impletions. These production systems, placed on the seabed, can be used in water depths of well over 3,000 feet. Just as important, they can be used to exploit small fields or areas of reservoirs too remote to be tapped from the main produc-tion platforms. They can also be used to inject water to boost oil production rates.

The fragility of the world oil market has taught producers that every drop of economically recoverable oil is precious. The big increases in oil prices have enabled the industry to develop

Detecting hairline cracks in pipelines is difficult enough at the best of times. Deep beneath the sea, it's positively mindbending. So bend our minds we did.

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# Key role for helicopters

shore oil and gas industries world-wide has been rapid in progress has been due to the of up to 165 mph. and its latest five-year plan is ubiquitous helicopter. While it is going too far to suggest that faster machine seems likely to annual operating profit before without this versatile vehicle's ability to hover, land on and take off from restricted sites British Airways Helicopters has ment plans envisage outlays of while carrying large loads, the offshore industries would never have materialised, certainly they could never have been developed so quickly. More-over, the daily task of main-taining the scores of rigs offshore in many parts of the world would also be much more tedious and probably more ex-pensive if there had to be total

But the partnership has been mutually beneficial. For the stringent technical require-ments of the oil and gas indus-tries in turn have obliged the major helicopter manufacturers worldwide constantly to seek improvements in their vehicles, in terms of design, range, payload and safety.

In the initial stages of the development of the offshore oil and gas industries, helicopters were still comparatively clumsy and uneconomic vehicles.

They were largely derived from earlier military designs which paid no heed to the niceties of comfort or styling, or even for that matter of economics. Progressively, however, under the stimulus of demand for increasingly efficient and profitable machines, the helicopter has itself evolved rapidly, and today new types of aircraft of various sizes are either about to enter service, or are on the drawing board for the future. which will ensure that the oil and gas industries' needs will be adequately met for a long time to come.

One of the earliest "workhorses" of the offshore industry, the U.S. Sikorsky S-61N twinturbine 26/30-seater, with its range of about 360 miles and a speed of about 130 mph, still performs valuable service world-wide in the service of the rigs and platforms, and because of its sheer ruggedness and relia-bility it is likely to continue in service for some years to

But its pre-eminent position may well be rivalled by the new Boeing Vertol commercial version of the big Chinook heavylift helicopter—the civil ver-sion of the U.S. military, "Jolly Green Giants." Also a twin-

4446 passengers and will have recent years, and much of this range of 650 miles and speed

> revolutionise the North Sea oil business in the years ahead, for ordered six of these aircraft, with the first due to enter service early next year. They will be able to fly

directly from, say, Aberdeen

with a full load out to the farthest rigs such as Brent bypassing the hitherto extensively used "transit-stop" at Sumburgh in the Shetlands. In the past fixed-wing aircraft have carried the loads from Aberdeen to Sumburgh for transfer onto S-61Ns for the final stages to the rigs. At best this connecting operation has added an extra two hours' travelling time compared with a non-stop flight by a Boeing Chinook. Moreover. the improved interior styling of airline comfort to the off-shore

**Forthcoming** 

British Airways Helicopters has a seven-year contract with Shell UK Exploration and Production for the forthcoming Chinook operations, But British Airways Helicopters is already also thinking in terms of the possibility of a "stretched" Chinook to carry about 66

passengers.
About 90 per cent of all

THE DEVELOPMENT of the off- turbine engined machine, the British Airways Helicopters' shore oil and gas industries commercial Chinook will carry business lies in the North Sea. British Airways Helicopters has expanded consistently,

and its latest five-year plan is tax and interest of close to £6m to £20m. Current investwell over £100m over the next five years, of which about £65m will be spent on aircraft, including the six Chinooks and four of the new 10-seat Sikorsky

S-76 Spirit aircraft. The latter, also a twin-turbine engined aircraft but with a single main rotor, seats about 12-14 passengers and has a range of 460 miles and a eed of up to 165 mph.

Although developed primarily with off-shore oil industry in mind, the Spirit has also won substantial orders from other customers for such uses as executive transport, since its elegant styling makes it an attractive vehicle for that role. To date Sikorsky has received

over 370 orders for the Spirit from 85 operators in 23 countries. Many of these companies are engaged in off-shore work of various kinds. The biggest commercial helicopter operator in the world, Petroleum Heli-copters Inc. of New Orleans, which operates 350 helicopters, of various kinds in the U.S., has ordered 11 Spirits for offshore work.

In the UK, British Airways Helicopters has ordered four able, among the most recent Spirits and expects to raise this additions to the list being the

70 helicopters of various kinds) mph and a range of 480 miles. has ordered six Spirits.

Also now under development for the early 1980s is the new Westland WG-30 twin-turbine engined utility transport heli-Developed from the original multi-role Lynx helicopter, the WG-30 is intended for both civil and military duties, but so far as the offshore oil industry is concerned it could be used in a variety of configurations, as a six-seater executive aircraft, as a 17-seat airline standard model or in a 21-seat high density configura-tion, while freight or mixed freight and passenger versions can be provided. The operating range of the WG-30 is nearly 400 nautical miles.

The daily task of linking the rigs and platforms with the mainland is largely carried out by these types of twin-turbine engined multi-seat helicopters (the multi-engined capability is regarded as essential for overwater flying in the off-shore support role).

Configurations

But the vast infrastructure of the off-shore industries has created in addition a growing requirement for smaller types of aircraft for executive and liaison duties, or for servicing smaller rigs and platforms. A wide range of aircraft is avail-

to ten, while Bristow Heli- new Bell 222, an 8-10 seater, and copters (already the biggest UK also a twin-turbine engined airhelicopter operator with over craft, with a speed of up to 170

The demands of the oil and the development of a wide range of helicopter operators and associated companies, and there are now many helicopter bases along the East Coast and in Scotland and the Orkneys and

Shetlands. Although Bristow and British Airways are the two biggest helicopter companies involved in the UK North Sea operations, there are several other smaller operators which can provide specialist services of various

British Helicopter Advisory Board, formed in 1969 to promote the use of heli-copters in the UK, lists in its latest handbook over a score commercial operators, out of a total mem-hership of nearly 100 companies, individuals and organisations which either own, operate, manufacture, repair and maintain helicopters or are in some

Among the more recent additions to the list is British Caledonian Helicopters, created through the purchase by British Caledonian Airways of the original Ferranti Helicopters and now rapidly expanding with four bases in Shoreham, Milton Keynes, Falmouth and Glasgow.

Michael Donne

# Shake-out in supply boats

THE WORLD supply boat business continues to be dogged by over-capacity and cut-throat competition in large sectors of the market. Yet certain opera-tors have proved that by astute analysis of the market's future needs it is still possible to make handsome profits.

In the North Sea the performance of most British operators underlines the difficulties that have beer experienced. Last year Ocean Inchcape (OIL) lost £0.5m, compared with a profit of £1.6m the year before. Star Offshore's performance was even worse, moving from a profit of £2.1m to a loss of £1.3m.

As a result some operators have decided to call it a day and withdraw from the market. The most recent example Trafalgar House, which last month sold its supply boat sub-Offshore Marine, to America's Zapata Corporation for £7m in cash.

Offshore Marine was formed in 1964 and claimed to be the largest British operator of and anchor handling supply vessels in the offshore oil industry. Its fleet of 24 vessels has now gone to swell Zapata's fleet of 51 vessels and will make the latter one of the largest supply boat operators in the world.
Trafalgar House has been

reviewing its exposure to the offshore supply boat market for some considerable time, because of the pour returns being made, and the relatively high investment required to keep Offshore Marine competitive. Last year Of shore Marine lost £0.4m on turnover of £11.2m.

## Defaulted

Another casualty of the lepressed market has been the Virgin Islandsregistered Northern Offshore. in which John Swire has a 10 It has been substantial sums money and has defautled many of its borrowings.

Offshore's sidiary, InterSub, was the leading operator of manned submersibles in the North Sea, with 12 submersibles and five mother ships. In common with other operators, including P & O and Vickers, InterSub found 2010 market very depressed and its operations were terminated in May of this year. Many of the vessels are now laid-up in

The collapse of InterSub seriously damaged the parent and it is understood that a liquidator is to be appointed shortly. One of its vessels, the 1977-built Sea Producer, has aiready been sold to Bugge Supply Ships of Norway, and the other six vessels are believed to be up for sale.

However, not every operator has been doing so badly. Britain's Seaforth Maritime, owned by Taylor Woodrow and James Finlay, is steadly building itself up into a major force in the offshore support vessel market and Wimpey Marine, part of the UK construction group, is quietly establishing itself in the market for the larger and more powerful

Elsewhere, Sweden's Stena

Line has been making a name

for itself with its four multifunctional Support (MSVs), which it is building on on spec" in Sweden. It seems to have anticipated what the market wanted—the key to success in the offshore business. Zapata is another successful company. Its earnings from support vessels rose by 41 per cent during 1979 and look like rising strongly in the current

Supply boat operators these days need to be fairly large and widely spread, since there are considerable economies of scale and by owning a fleet of various types of vessels it is possible to avoid the pitfalls which have trappe d companies like Northern Offshore.

The case of Northern Offshore is iluminating since it underlines the difficulties facing a relatively small, and undercapitalised, company operating in a market undergoing rapid technological change.

#### Downturn

It was established by a group of investors in 1972. By 1975 it had built up interests in 22 supply vessels but because of the chronic overcapacity in this market it decided to withdraw and concentrate the bulk of its ties in the mersible market, which it had identified as a major growth area. When the latter turned sour, Northern Offshore did not have the spread of activities to cushion it from the downturn, or the capital to enable it to continue operating until the market turned for the better, as it is now doing In its latest edition of the

British Shipping Review, the of British Shipping (GCBS) says that UK operators face a dilemma. They want to obtain as much of the business as possible. But the previous oversupply of tonnage and low financial returns has made it difficult to justify re-investment on a large scale. The GCBS reports that UK flag vessels (not all of which are British-owned) have 56 per cent of the UK North Sea market, but the principal benefi-

ciaries of the expected upturn in demand for supply vessels will be the foreign flag owners who have built with the aid of heavy subsidies."
The GCBS believes that UK operators are being discriminated against in other countries offshore zones where domestic flag operators get the "lion's of the business. In addition, the GCBS argues that UK

owners are at a disadvantage in

UK waters, which are open to

all, because foreign supply boats

are often able to use smaller

Generally, the market for most types of support vessels is strengthening in line with the improvement in exploration activity. Vessels are having to be more powerful and there is an increasing tendency to emmulti-purpose which can do a wide range of jobs. The key to success is to strike the right balance between specialisation, cheapness and

A recent study by Derrick Offshore, "A European view of Offshore Service Craft 1980-83," has outlined the prospects for the market for four separate categories of support vesselanchor handling/supply tugs, platform/pipe/straight supply vessels, pure anchor handling tugs and diving support vessels

dexibility.

With anchor handling supply vessels, which lay the anchor service the semi-submersible drilling rigs, Derrick notes that at the start of the 1970s owners were building tugs of 3,000-4,000 bhp. Market needs now dictate that many of the vessels should be three times more powerful.

The really powerful vessels f between 9,000 bhp and 10,000 bhp have been earmarked for supporting deepwater drilling in the northern Norwegian waters. On Derrick's estimates there is at present a surplus of the very powerful anchor handling/supply tugs. However, it says that there is

scope for building a few more vessels in the power range 7,000-8,000 bhp, because nearly all drilling rig contracts in the North Sea will use this class of

The market for specialist anchor handling tugs is much more limited and as a result this sector was worst hit by the slump in the supply vessel market Many supply boat operators converted their vessels to handle anchors as well and this exacerbated the oversupply of tugs.

At present specialist anchor handling tugs are used mainly in the construction, as opposed to the exploration phase of oil development. Most of the exploration rigs are serviced by the combination anchor hand-Consequently, Derrick sees no improvement in the market for these vessels until the 1982 platform construction phase starts, and possibly not until the gas gathering trunk lines are laid in 1983/85.

Among the platform supply ships in the North Sea the trend is towards ultra large ships which can act as storage vessels and remain offshore for long periods, or to smaller vessels which can carry good volumes of materials but not all simultaneously.

These days pipecarrying space is more important than

is also an increased require ment for more ships with "joy-stick" controls which allows them to safely manoeuvre alongside platforms in the worst types of weather.

The final sector reviewed by Derrick is diving support vessels. In the early days of the North Sea development these vessels were often converted from old trawlers or ore carriers. However, as the workload divers safety mounted there has been more and more specialist vessels constructed.

To save time when working near platforms and reduce damage to subsea pipelines caused by ships anchors the trend has been towards installing dynamic positioning (DP) ling and supply vessels, and systems which are completely anchor handling tugs specialise reliable, or in the jargon "fully redundant

> Ideally these be semi-submersible since this gives much greater stability and enables round-the-year working. However, construction costs are higher and these vessels tend to be less flexible. So various hybrid mono-hulled vessels have been built, often on a speculative basis. Stena Line, for example, is building a series of mono-hulled diving support sels which also act as firefighting and emergency support vessels. In addition, they have a sizeable storage capacity.

William Hall

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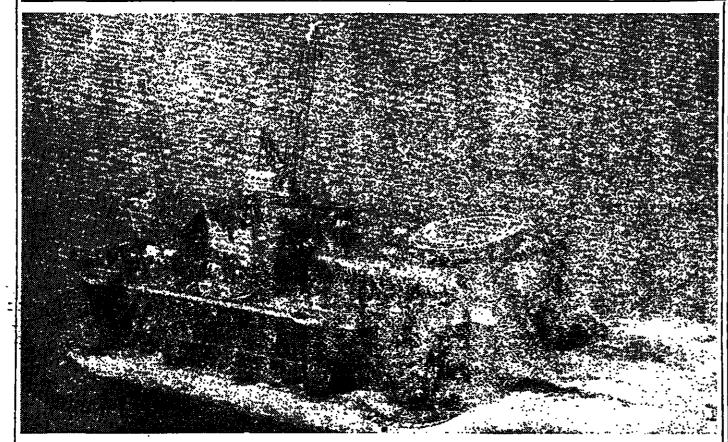
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Commencing in 1981, a huge submarine gas pipeline from Algeria crossing Tunisia and the Sicilian Channel will transport large quantities of natural gas to Italy.

In the North Sea, AGIP, the ENI group oil company, jointly with other leading companies, is developing the oil and gas resources, in co-operation with the European producer countries.

AGIP U.K. and NORSK AGIP are focal points of the ENI group presence in British and Norwegian

The ENI group, in 1959, was the first in Europe to install an offshore drilling platform (for the exploitation of the "Gela 21" well off Sicily) and to find gas in the Ravenna offshore.

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# OFFSHORE TECHNOLOGY III

# Developers launch new platform designs

BY THE mid-1980s there will be at least eight distinct types of production facility exploiting oil from beneath the North Sea. They will include both adaptations of exising technology and complete departures from it, designed to cope with ever-increasing water depths and barely economic reserves.

Although the cradle of offshore technology was the U.S. Gulf of Mexico, it is the North Sea, with its more hostile waters, that is now pushing the oil industry up its learning curve faster than ever before. Higher oil prices have encouraged the oil companies ot get their designs off the drawing board and into the water. Some field developers, with one eye fixed on the day when they will be faced with oil and gas prospects in over 1,000 feet of water, have opted for innovative designs where more conventional platforms would have

#### Springboard

Conoco, for example, will use a tension leg platform (TLP) on its Hutton field, which received the official blessing of the UK Department of Energy earlier this month. It essentially consists of a buoyant steel structure anchored to the seabed with vertical mooring lines made of tubular steel. Although the water depth at Hutton—485 feet—is within the capability of more conventional systems, a TLP was chosen to serve as a tion and ultimately drawn back. springboard into deep-water BP considered a tethered development outside the scope buoyant platform (TBP) of proven technology. Engineers believe the design to be costcompetitive with traditioal platforms in 500 feet of water and practicable in depths of up to

A number of companies including BP, Amoco, Scott Lithgow, Arge, Aker and Fluor—in 1982 and cost RP almost have presented similar designs \$1.5bn. in recent years but Conoco's, designed by Brown and Root and Vickers Offshore, will be the first in operation.

Probably the most ambitious development yet planned for fields in water depths of up to the North Sea is Shell's under- 500 feet. The oil industry is water manifold centre (UMC), destined for Central Cormorant. Described as the most advanced subsea production system built, the UMC was designed by Vickers Offshore and based on experimental submerged production system, the Gulf of Mexico stands in a which has been tested offshore water depth of 1,000 feet, wind Louisiana. The UMC will be and wave conditions at its loca-installed next year. It will tion are relatively mild. A installed next year. It will produce about 40,000 b/d of oil, which will be sent to the South Cormorant platform, from where could probably be built, would argues that concrete must still ment field output by producing the UMC will be remotely

EH, too, has decided to of economics rather than tech-innovate with the development nology. of the North East Frigg gasfield in the Norwegian North Sea. the concrete gravity platform in capital cost and development



Mr. Jack Mercier, one of the project engineers, with a scale model of the tension leg platform (TLP) which Conoco will use on its Hutton field

It will use a subsea well mani-fold serviced by an unmanned the current spate of field devethe wells will be hydraulically controlled. The column will and fall in popularity of the operate by radio control from the main Frigg field. North was installed on the Ekofisk East Frigg lies in only 340 feet field in 1973 and 11 more of water. But if the system proves commercial under North Sea conditions. Elf will have water on Shell's Dunlin field. little hesitation in proposing the technique for fields in water

depths of up to 1,500 feet. Other companies wavered on the brink of innovasimilar to a TLP - for Magnus, but finally decided against it because the field's reservoir characteristics would have required two TBPs. BP opted instead for what will be the tallest fixed steel platform yet built for the North Sea. It will in 1982 and cost BP almost

The fixed steel platform has dominated the exploitation of oil and gas reserves worldwide and has become almost de rigueur for clearly commercial 500 feet. The oil industry is unlikely to become dis-enchanted with steel unless become dissevere corrosion or fatigue problems arise.

How deep can steel platforms go? Although the steel platform built for Shell's Cognac field in water depth of 1,000 feet, wind they have a limitation, it is one platform buoyancy is required. area of platform wells or to in

For much the same reason extremely sensitive to changes

articulated column, from where lopment plans. In the 1970s the was installed on the Ekofisk followed in the North Sea. The tallest stands in 500 feet of

> Only Norway seems to have retained much enthusiasm for concrete. A second concrete platform is now being built for Mobil's Statfjord field and a third will be ordered at the turn of the year. But in general the oil industry no longer regards the concrete platform as costcompetitive with steel, unless storage capacity is required. The production infrastructure that has built up in the UK North Sea has allowed a number of fields to pipe their oil to fields already linked by pipeline

#### Alternatives

For fields without the pipeline option, there are other alternatives to a concrete plat-For instance, Phillips' marginal Maureen field will be developed -with a steel gravity structure. Designed by Italy's Tecnomare, it will consist of a steel jacket and deck with three steel storage tanks resting on the seabed. UK platform yard Howard Doris has also come up with hybrid designs using a steel jacket and either concrete or steel storage tanks.

Marginal fields provide their own special problems. They are

to continue with existing tech-nology to avoid the unpredictability involved with innova-tion. This was reflected earlier this month when Shell and Esso decided to develop the small Tern field with a conventional fixed platform after considering a complex underwater installation connected to a

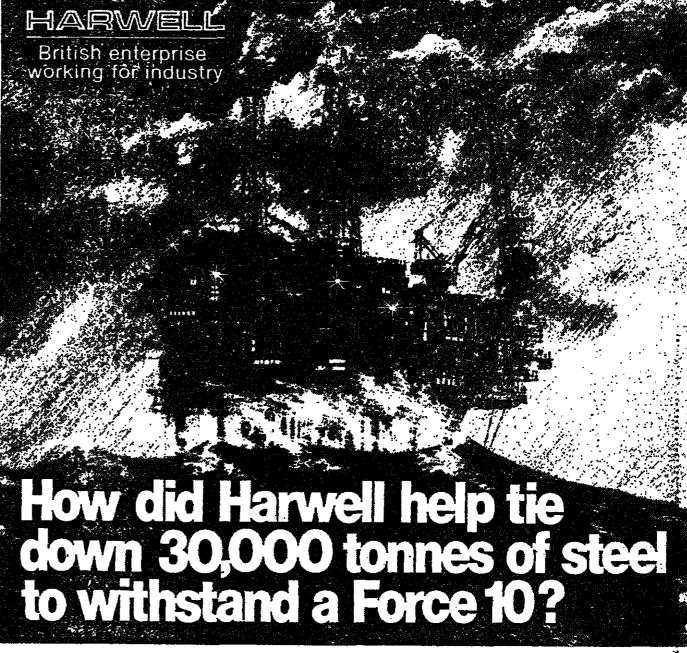
floating unit. Yet the use of a simple floating platform can substantially lower a field's commercial threshold. Pioneered by Hamilton Brothers on its 50m barrel Argyll field in 1975, floating production units are expected to find increasing use on the North Sea's marginal fields. Argyll uses a catenary-moored converted semi - submersible drilling rig as its production unit, as will BP's Buchan Field, due on stream later this year. But with the current buoyancy of the rig market, existing semisubmersibles are unlikely to be cheap to buy and, as Buchan has shown, conversion work can prove more costly and prolonged than originally thought.

Operators are now more likely to turn to purpose-built semi-submersibles. Both Occidental and Texaco are well advanced with plans to order such platforms to exploit small pockets of oil close to their existing fields. Another variation on the same theme is to use a ship-type vessel, similar to a VLCC. as a production facility. BP and Mobil have both recently proposed systems of this type for deep water Exxon Norwegian Contractors, meanwhile, are looking at concrete floating platforms.

Because floating systems are free to move under wind and conditions, production wells have to be completed on the seabed and connected to the deck via a flexible riser or flowline. Perhaps one of the most significant technical advances of the 1970s, subsea completions are now in wide spread use in the North Sea. Indeed the North Sea is now the focal point of the subsea industry, drawing all the main hardware manufacturers -Cameron Iron Works, Vetco. McEvoy, National Supply and others-to its shores.

Although there are few fields being developed completely with subsea wells, the industry has been kept ticking over with a constant stream of So is the concrete gravity orders for individual satellite A platform obsolete? Mr. Albert subsea completions, placed on platform of that size for the Granville, managing director of the periphery of reservoirs. northern North Sea, although it Howard Doris, thinks not. He Their purpose is either to augbe prohibitively expensive. If be considered when storage or reserves outside the drainage iect water, thereby pushing oil towards the platform wells.

James Joseph



To those involved in the dangerous and fast moving world of energy exploitation, any new technique that enables work to continue under poor weather conditions must be of commercial importance. Add to that, increased safety, greater reliability -- and all at lower cost -- and the development cannot be ignored.

Collaboration between Harwell and industry has resulted in a new approach to grout monitoring, essential to the method by which oil and gas platforms are anchored to the sea bed. Reacting to a tight commercial timescale and working under tough conditions, Harwell scientists have developed a new inspection method involving radiation gauges. This provides an objective and permanent record of the grouting process and allows work to continue even in

Not only is the operation cheaper but it replaces the use of saturation divers, so reducing the risks in a dangerous

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# Record drilling activity

OFFICIALS in the petroleum of success are increased production division of the UK But the novelty — and Energy Department are ourrently wading through a pile of applications from companies hoping to obtain concessions in the seventh round of offshore

It is one of the most interesting rounds put on offer by the Government. For the civil servants engaged in vetting the applications it is elso one of the most challenging. Once the Government has decided on a discretionary system of awards (instead of a straight auction as favoured in the U.S. and elsewhere).

Energy Ministers, who make the final decision about which company is awarded which which could take block, want to be satisfied that other offshore areas. the licence group is technically competent, financially sound and willing to comply with all the licence conditions, such as drilling commitments, giving 'UK manufacturers and suppliers a fair opportunity to compete for orders, and so

The North West European Continental Shelf is still one of the most attractive drilling areas in the world, so it is hardly surprising that most of the major oil companies are among those vying for seventhround licences.

What is adding further spice to these concessions is the fact taken on board by the Chinese, that, for the first time, these who have called on Western companies are being allowed to nominate some of the blocks ate the oil-bearing potential of on which they would like to drill. At least 20 of these selfchosen blocks will be awarded. now concluding the evaluation travelling from one well site to an exploration area where com-Each will carry a £5m signature of seismic shootings in a large another. Companies looking panies would like to see more Each will carry a £5m signature of seismic shootings in a large bonus fee which will go into area of the Yellow and South Government coffers - a new form of revenue-raising.

taken up by other governments. Bonhai with offshore concessions. Not Japanese and only is the method a potential operators; the revenue earner (over and above which has been divided between the normal taxation system); it French and British operators; also means that companies are and the South China Sea, where drilling where they think there American companies are the is a chance of finding oil or operators. gas. Consequently, the chances

But the novelty — and head-ache for civil servants — does not stop there. ment has said that preference will be given to those applicant groups involving a substantial British interest. Consequently, we find that among those applying for licences are consortia often headed by a U.S. or Continental oil company and including UK food companies, UK banks, UK industrial groups

and UK investment institutions. Some of these non-oil companies are clearly applying with a gambler's mentality, hoping to strike it rich. Others have konger term intent. They may see the North Sea oil venture as a diversification opportunity which could take them into

They have recognised that offshore drilling forms an important, and growing, part of the world oil and gas indus-According to British Petroleum, discoveries offshore may comprise some 40 per cent of all new reserves that are to be found over the next two decades. It is an area of exploration and production which requires specialisation, and one which will benefit from new venture capital and fresh Neas.

## Chinese

These facts have also been companies to help them evalu-

China Seas. China has broken its offshore areas into three It is an idea which could be sections for these surveys: the where Gulf French are Yellow Sea,

The companies which have work.

carried out seismic surveys in these areas will not be given preference in developing future licence concessions. But no doubt their willingness to take part in the seismic operations will stand them in good stead when tenders are called. British Petroleum has taken a further step; last month it announced it would shortly be drilling two geological information wells in the Yellow Sea. The announcement angered U.S. companies. which claimed BP was trying to gain an unfair advantage in the race for exploration rights.
But then the competition

within the industry for good offshore oil exploration acreage is becoming more intense. Offshore drilling activity is at record levels and the signs are even more encouraging. The Oil and Gas Journal

recently provided a useful guide to the location of drilling rigs which shows that oil companies are spreading their interests across the world. The situation, is in May, was: North America
—165 rigs working, three idle: Latin America—66 working, one idle; Asia—57 working, six idle; North See—46 working, one idle; Arabian Gulf—38 working, two idle; Africa—32 working; South and East Europe—32 working, one idle.

The latest statistics show that there is hardly a spare rig to be hired anywhere in the world. In June it was reckoned that of the 242 jack-up rigs available for contract, 241 were employed. Of these, 222 rigs were actually involved in drilling—as opposed . More than 30 companies are to being laid up for repairs or for semi-submersible rigs are in for an equally frustrating time. All of the available 114 semi- oil industry that of America's submersibles are said to be under contract: 109 of them engaged in drilling.

> Smith and Offshore Rig Locator supplies. -illustrate how the tight market has boosted rig construction

In June 133 rigs were being built around the world, twice as many as a year previously. Indeed, during the past four years there has been a five-fold increase in rig construction activity. During the current 12 months (May to May, 1981) it is estimated that 50 new drilling rigs will be completed: 45 jack-ups, 3 semi sub-mersibles, one drill ship and one submersible.

## Boosted

The increased pace of offshore exploration and develop-ment has boosted not only the rig market. The platform construction industry is also seeing plenty of activity. Early this summer it was estimated that there were 202 oil and gas platforms under construction—89 for U.S. offshore areas, 29 for Latin America, 16 for the North Sea, 18 for the Mediterranean and West Africa. 30 for the Middle East and 20 for Asia.

A feature of the new wave of platform orders is the interest being shown in structures capable of exploiting fields in greater depths of water. According to Ocean Construction Locator, quoted in the July issue of Merrill Lynch's Monthly Petroleum Review, the average depth of water for plat forms under construction in May was about 20 per cent

deeper than 12 months earlier. The North Sea is a good example of where companies are having to venture into deeper and deeper water to find new reserves. The U.S. is drilling concessions offshore. I is a source of irritation to the geologically attractive deepwater acreage-totalling 337.5m acres-only a paltry 675.000 The same source for these acres have been leased at a statistics stockbrokers Merrill time when the U.S., indeed the Lynch Pierce Fenner and world, badly needs fresh oil

Ray Dafter



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developments.

North Sea oil industry has

grown enormously, both in offshore exploration and

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# Sophisticated radio links

enjoyed by land-based customers difficult terrain. of the telecommunications authorities.

The operational needs of platbe sent to land-based terminals, as well as written requests for supplies and helicopters to direction of the platform from ferry men back to the shore, the shore transmitter. Increasingly platforms are rely—

The ever-present turbulence pipelines for cracks and to control the flow of oil and gas from

measuring and relaying infor-mation so there must be no break in comunications; it could

spell disaster.

In addition there is the conventional need for telephone and radio communication with ships and helicopters delivering vital supplies.

All the maritime forms of communications are based on radio. There is an extensive Office which provides emergency long-distance links with the shore. However this is not sufficlent, to cope with the large amounts of information which need to be sent each day.

#### Programme

ment programme to provide offshore oil platforms in the North Sea with the type of combeen enjoyed only by land and undersea cable but both users. They have employed a system using microwaves extremely high frequency radio lite to serve one of its platforms waves which have the ability to and it may well be with the amounts Information.
Where oil platforms are

sight of land—as most are in in this application.
offshore fields throughout the The Post Office world-microwaves systems are commonly employed. Micro-waves, like light, only travel in straight lines so that only those platforms close to the shore can receive the signals.

Microwaves can carry several telephone channels, computer data, facsimile signals simultaneously providing platforms with all the information they need. But in the North Sea. some platforms are more than 75 miles from land, well out of the range of normal mirco-

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This is compressed into a concise dozen or

sets it in perspective, and provides a continuous well-referenced record.

The Post Office has pioneered kers on oil production platforms the use of a technique which as isolated and cut off from was developed by Marconi Comnormal day-to-day communica munications, part of the tions. In reality platforms have General Electric Company, to access to nearly all the services transmit radio signals over

It still uses microwaves but their range has been extended to reach more than 400 miles. forms are very sophisticated The technique is called indeed. Every day information about production figures has to powerful microwaves signals are projected in a narrow beam towards the horizon in the

The ever-present turbulence in the earth's lower atmosphere, the troposphere, causes the beam to scatter, in the same way that the beam of a torch is Computers are constantly visible even though its owner may be out of sight around a

> While much of the power of the beam is lost, sensitive aerials are able to pick up the signals many miles away. Compared with the original transmitted signal they are one thousand trillion times weaker but powerful amplifiers are able to boost the signal.

The Post Office inaugurated its tropospheric scatter system in 1976 when Mobil's Beryl Alpha platforms was the first oil platform to be able to have an automatic telephone system. From the platforms the workers are able to link into the worldwide telephone network without having to call the operator.

So the Post Office has more than 15 platforms have now joined the service.

Microwaves are not the only way of linking long distance. The Post Office, for example, considered the use of satellites were considered costly alternatives. Phillips does hve a satelof rapid growth of satellite communications, costs will fall to make them more widely used

The Post Office considered



Tropospheric scatter aerial forming part of the communications system designed by Burmah Engineering Telecommunications Projects Division for Total Oil Marine's Frigg Field in the North Sea

be prone to damage from passheavy fishing in the North Sea, coupled with the immense amount of activity around oil

techniques have to be employed. Because of the need for high reliability each group of platforms is normally served by two-master stations which operate alternately. The master station transmits signals to others nearby using conventional microwave radio.

The Post Office has built two highly dangerous loading and

that undersea cables were shore stations too serve these unloading operations and to unsuitabmle because they would northern most fields. One is at help helicopters to land during Mormon Hill in North East the final moments of touch Scotland; the other at Scous-down. burgh on South Shetland. To

Since most other platforms throughout the world are within sight of land it is unlikely that It is only in the central and tropospheric scatter systems northern areas of the North Sea will be employed outside the where tropospheric scattering North Sea by oil companies.

On the platforms themselves hand-held radios are a common sight as the structures are so large that workers often needs falk to each other even though they are on opposite side of the platform. Hand-held radios — walkie talkies — are used to direct cranes during

To meet the social needs of workers there is usually a public address system which can also be used to provide At the moment television is not normally provided unless pre-recorded cassettes are used, although some companies are facilities.

As well as conventional systems each platform has access to emergency maritime radio services which can reach as far as land.

Elaine Williams

# Electronics an integral part of operations

been sunk since then and as progressively worsened they have come to depend more and more on modern instruments, control systems and communications, both for exploration and

Fruitful exploration under the sea would be impossible without electronically assisted magnetic gravimetric and seis-mic equipment, backed by powerful computers. Furthermore, with the latest navigational satellites a rig or ship can be re-positioned over a spot on the sea bed to within a few yards. Such results can also be obtained with inertial navigation systems of the kind developed for military aircraft applications. Similarly, station keeping can be maintained with ultrasonic beacons on the sea

Then, when the signs are right and the decision is taken to drill, electronic techniques nowadays play a vital part in ensuring that huge investments

are not wasted.
Inertial techniques feature again in a system developed by Ferranti which will plot the course of drilling down to 8,000 ft with an accuracy of 6 ins with respect to the top of the borehole. Contained in a 10-ins diameter capsule are three accelerometers mounted at right angles on a gyro-stabilised platform. Any tiny accelerations they experience are converted to displacement by two mathematical integrations and the readings stored at 0.1 second intervals as the capsule is rapidly lowered

## **Plotted**

down the bore.

On the surface the readings are extracted from the semiconductor store and automatically plotted on paper. The design was a world "first" for

Britain.
It is when the production platforms are finally placed, however, that control technology of the more customary kind takes over. In a typical case oil is rising

from a number of bores up pipes equipped with chokes (restictors to flow) and will be fed into one or more units in which gas is separated from oil at about 100 psi pressure.

The gas is either flared off (burned). or increasingly nowadays recovered.

The oil is pumped to shore at pressures in the 1500 psi region and at rates which can easily exceed im barrels per day. Other processes include separation of sand and water from the crude and condensation of propanes and butanes from the gas. Some of the gas is consumed on the platforms to provide electrical power.

crude spurted at a minute cost although other mechanical and resulting pressure wave or con- within seconds, the heat causing volved. Appropriate measuring into the line at the platform and But to avoid false alarm devices send their data to a the working enfironment has control room where, basically. a comparison takes place with operator, instrument or computer-demanded values and correction signals sent outwards if the two do not match. These forms to monitor logistical supcontrol signals will alter pump speeds or line chokes to restore

> In many cases, however, the signals are still transmitted pneumatically safety for reasons (no sparks or heat are permissible) while their effects are simply monitored electronically to produce operational and production data.

> But as modern electronics become smaller, cheaper, more reliable and the voltage levels reduced, complete electronic control will tend to predomi-

Many offshore systems are based on process control systems for land-based chemical and petrochemical plants and most of the UK and international process control companies are involved in supplying equip-ment ranging from valves, transducers and actuators to complex computer and screenbased control systems. The list includes such names as Brown Boveri Kent, Ferranti, Foxboro. Rosemount Sybron Taylor.

In the latest designs the traditional meters and controllers can be done away with altogether and the values of temperature, pressure and so on displayed as dynamic bar charts or selective listings and graphics on colour television The operator can monitors. look at any sector of the plant adjust set points (controlled values) and in some cases bring up displays which show the trends of parameters over previous hours or days. conditions appear on the screen as flashing red markers next to the offending reading, accompanied by audible warnings.

In most systems of this kind a computer situated centrally undertakes all the control and data manipulation but a trend developing in land-based systems—distributed control will probably also become accepted on offshore platforms

It arises mainly from the availability of cheap and reliable computing/storage power in integrated circuit form and has the advantage that dedicated control of each process loop (circuit) is feasible, giving increased integrity. Honeywell has claimed the first order for such a system, for a double platform in the Beatrice Field. Sometimes platform systems have to exchange data over radio links, send data to the

shore or measure the input of

various producers into a single pipeline. Indeed, the pipeline

IN 1859 when "Colonel" Taylor drilled the first oil producing well in Pennsylvania it was simply a 60 ft hole out of which measured and controlled, nique is either to detect the under a platform and ignited electrical quantities may be in- tinuously monitor mass flow the structure to collapse. compare it with that at the terminal.

Computers are being applied to many such problems: example there is one which datalinks many terminals and platport - from helicopter bookings to consumables supplies.

Clearly safety is a vital matter on a production platform in view of the products, but so is production continuity, partilarly since £1m of crude per day might be produced. False warnings and shut-downs are unwel-

## Monitor

Once again electronics are brought to bear and companies such as G. P. Elliott have devised ultra-reliable microcomputer based system, now coming into use, that will constantly monitor gas detectors and other hazard sensors (excess pressure or temperature, for example) and if necessary initiate extinguisher systems and shut down the whole platform.

Such risks are not entirely remote. There is a notorious case

completely three microprocessors are used in a "two out of three" electronic voting system.

The use of computer systems even extends to shore-based simulations of platform control rooms on which operators can be trained without being let oose on the real thing. Another British company, Redifon, has devised such a system in which any kind of hazard or situation can be presented to the trainee. Future challenges for electronic control will be even more

demanding. Probably much greater integration of the kinds of system mentioned in this article will be called for if, for example, ideas such as the deepsea production system come to fruition. In this, there is no platform

at all and the hardware is in five interconnected very robust modules on the sea bed. Fully automatic operation has been mooted, but seems unlikely. But even with minimal manning the instrumentation,

control, safety and reliability problems will be considerable, to say the least.

Geoffrey Charlish

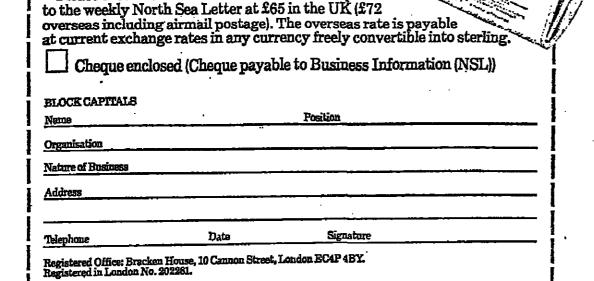
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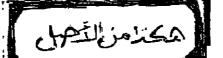
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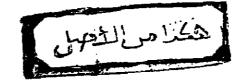
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# THE ARTS

Cinema

# Going for a song by NIGEL ANDREWS

Italy Before Neo-Realism National Film Theatre

cal? Can we dub All That Jazz and-dance movies: films about music-making rather than films that use music as an extra string on the expressive bow Modern "musicals" fight shy of unreality. Occasionally odd prehistoric creatures cross the skyline, like Grease, memories of an age when characters really, it's more like an over-anxious did burst into song in the middle or a stroll through a rainy Hollywood street. But mostly, today's warblers and high-kickers need make merry with music. Both this week's vehicles give a few this week's vehicles give a few brave tugs at the shackles of modern convention, but they modern convention, but they remain music films stubbornly and incestuously bound up with the music business itself.

All That Jazz is the braver of the two. This wobbly, likeable extravaganza, which shared the great chunks of applique artifice. Grand Prix at Cannes. is For another director Fosse, who Glass is British, bald and basic

263

Elaine We

a

greater and greater heights and finally to a heart attack. But eyen when our hero is wheeled When is a musical not a musi- music. Post-operational Scheider car Can we dub All That Jazz becomes the life and soul of and Breaking Glass musicals? Intensive Care and the film, baryoning though they be formed into and Breaking Glass musicals.

Packed with tunes and toestomping though they are, fantasy, clusters gargantuan
they're like most of today's songthey're like most of today's songthey are to the total song to the total song today and today's songthey are to the total song today are to the total song today are to the today are to the today's songthey are today ar capering corpuscles in human shape come together to hymn

So it's like halcyon Hollywood, you say? The days of old when musicals were bold? Not quite. dog-on-a-leash making franticof a love-scene on a park bench ally nostalgic lunges toward the old Free-Form but tied willymily to its post-60s post. The result, though schizophrenic in a stage or a recording-studio to manners with its blend of Chorus Line realism and Bushy last-act razzmatazz is almost mockingly hyperbolised. The surreal doesn't grow out of the

the rabble-rousing rococo of the second half may be too much for some tastes—it certainly was for mine—but the pre-cardiac section of the film, when the autobiographical sketch of scheider-Fossa is unasthed as if section of the nim, when autobiographical sketch of to that her wondrously werry ou-Scheider-Fosse is wreathed as if stage costumes—all in outré farm the backstage billows of silver and white and culminatreshuffling of musical-comedy her by the robot from Metroconventions as America has lately produced. Snap-crackle editing choreographs the images themselves into a decrease literature of the machine Age. themselves into a dance as slices the joys of open-heart surgery his aspiring dancer daughter, his and sing the body eclectic. of the hero's private life-with and Dexedrines-are rhythmically intercut with rehearsal vig-nettes and backstage fun-poking at the weathervane reactions of his latest show's backers. ("We've just lost a family audience" murmurs one backer to another through clenched teeth, as a brassy Broadway production number gives way to a sweaty erotic ballet in best Fosse tradition.)

All That Jazz is like an overgrown workshop sketch funded by a millionaire. It hasn't lost its delirium tremens at 24 frames won his cinematic spurs with by comparison: the straight-up-a second; not so much Afternoon Cabaret; is too fascinated with and-down tale of a punk rock

All That Jazz (X)

Odeon Haymarket

Breaking Glass (AA)

Shaffesbury Avenue

The Wishing Tree

Camden Plaza

Camden Plaza

Of a Faun as Morning-After.

Bob Fosse's medical musical leaps like a gags satyr from live theatre, in its quasi-autobiographical tale of a fast-living Broadway producer-choreographer (played by Roy Scheider) pushing himself on to Italy Before Neo-Realism

Of a Faun as Morning-After.

Bob Fosse's medical musical machinery-whir and the pro-choreographer from live cesses of music-making, to be under the transitions and cross-weaving eight or nine a dead-white floor-mop for hair and jet-black nail-polish on her bewitching picture of a combination number.

The Wishing Tree

Camden Plaza

It's a rawly visionary tapestry of village life, set around 1900 is and cross-weaving eight or nine a dead-white floor-mop for hair and jet-black nail-polish on her hands and feet. As a singer's rise and fall, given high-occurs to village life, set around 1900 is a dead-white floor-mop for hair and jet-black nail-polish on her hands and feet. As a singer she wooded into olling the transitions and cross-weaving eight or nine and jet-black nail-polish on her hands and feet. As a singer she with the wory staginess, with the wery staginess, with the wory staginess, with the wory staginess.

It's a rawly visionary tapestry of village vigour by Hazel O'Connor's performance in the operation of village life, set around 1900 is a dead-white floor-mop for hair and jet-black nail-polish on her hands and feet. As a singer's rise and fall, given high-work of village life, set around 1900 is a dead-white floor-mop for hair and jet-black nail-polish on her hands and feet. As a singer she wooded into olling the transitions and cross-weaving eight or nine the pro-choreographic place of village life. See it and savour it linstantly.

It's a rawly visionary tapestry of voltage vigour by Hazel O'Connor's performance in the operation of village life. See it and savour it linstantly.

star-in-the-making isn't worthy of her. Like All That Jazz it's a post-lapsarian musical, either pegging its numbers to stage for recording-studio) reality or gear-changing into fantasy with a romance leads to capture by deliberately voluble scrunch, the villagers and a cruel ad hoc There is cheerful mileage in the early chronicle of Miss O'Connor's rise and the assembling of her back-up group: with manic cockney manager Phil Daniels (of Quadrophenia) running around as if someone has lit his blue touch-paper and retired, and with some deathless one-liners from the audition-ing hopefuls. "I'm always late for auditions." says a lanky double-bass: "This is my 63rd."

But the film built round this

But soon we're wading kneedeep into the hackneyed marshes of rags-to-riches disillusionment, as fame becomes too much for Miss O'C-or rather goes straight to her phino-morped head—and the olenginous smoothies of the record industry conspire to package, simplify and exploit her talent. This road is as worn and well-rutted as Pompeii. Stordust has driven down it before and so have countless other Brftish music Italian cinema, to which all films. What Breaking Glass filmgoers should turn whose does offer, amid the sound of knowledge of that nation's clanging clichés, is a few raw rude notes from the first British conti and D for De Sica. Here singer ever to make punk sound you may sample Neo-realism's as if it can house other emotions prehistory: fifteen years of the mere fingers in agero. Now sound cinema when art. specwill someone give Miss O'Connor tacle and propaganda mingled

A car crash, leaving me in one piece but my car in several, one piece but my car in several, tor; sigh prophetically at the prevented me from reaching the screen debuts of Alida Valli and Press show for The Wishing Anna Magnani; and thrill to the Notes and memories remain, however, from a first viewing at the London Film Festival two years ago, when this Russian film from Georgia scooped widespread interest scooped widespread interest

Elizabeth Hall

bewitching picture of a com-munity time-warped in primi-tivism and yet struggling to emerge into the 20th century.

Like a naive painter, director Tengiz Abuladze abandons the ordered hierarchy of perspec-tive for a higgledy-piggledy pantheism of style which allows every character to claim his share of the story's foreground: from the lady in ragged Parisian clothing who has lost her beloved—a Miss Havisham of the wild—to the preacher prophesying a New Era, from the peasant searching for the title's talismanic "wishing tree" to the two ill-starred lovers, one martyrdom.

The film's ending, depicting their tragedy, has an unforced power and pain that are like a village-pageant version of Mizoguchi's Chikamatsu Monogatari. Elsewhere in The Wish-Abuladze sustains the sense that beneath the surface calm of village life there are everpotent undercurrents: of supereccentricities teetering on the brink of real madness. It's a if by Gogol, painted as if by

When you sip your next Martini, think of the National Film Theatre. For Martini and Rossi have sponsored a monthlong retrospective of pre-war movies starts with V for Visthe reward of a good movie and Mussolini wielded a big. but not too big, stick over the film industry. Laugh at the early emploits of Vittorio De Sica, as comic actor rather than direcscope and splendour of Scipio Africanus (1937), which still

Oxford Playhouse

# The Workshop

by GARRY O'CONNOR

The Workshop, an autobio graphical play written by Jean Claude Grumberg, and translated from the French by Tom Kempinski, hinges on a slight story. Ser in Paris in a men's tailoring workshop, it traces the lives of the five women employed there, as well as the Jewish boss and his wife, Madame Helene, from 1945, the year of the liberation until 1952. Apart from the day-to-day irritations and incidents, intensified by the atmosphere of post-war France, the frail labour conditions, and horrific stories of displacement and deportation — for after a short while it emerges that it is almost more of a Jewish play than a French one — the action gradually focuses on the plight of Mme. Simone, mother of two boys, whose husband, a Romanian Jew. and stateless person, has not been returned since he was taken in 1943.

Simone, a stoical, reticent of woman, spends her spare time trying to find news of her miss-ing husband, while the others ing Tree though the impact of the different stories is uneven, plight, or react to the progress she has made. Finally, four years after beginning, she obtains a death certificate, which given the bureaucratic stition, of passion, of rural chaos, is no mean feat and which entitles her to a pension. This provokes an impassioned jumbled tragicomedy, written as outburst from Ilme. Helene, who does not want the Jewish Douanier Rousseau. Catch it dead forgotten (the certificate while you can at the Camden makes no mention of the cause of death).

Leon, the boss, is all for forgetting the past, but his wife cannot. Simone decides not to remarry, and devotes herself to working and caring for her sons until she falls ill; inconclusively the play is brought to a close with the appearance of one son dressed in a girl's overcoat sent vides breaks which emphasise two middle-aged seamstresses, as a gift from the U.S.

As this is primarily a study of character, and the interactions of people at work, one does not miss any strong conclusion. Grumberg writes warmly, with a good eye for the details of tailoring, able to make the most of the humour and atmosphere the profession supplies in quick and lively sections. The character of Leon, who explains just before the interval how he survived the war and tried to save the life



Lynn Farleigh

tian titles on a screen: this passages of moving silence. contradicts the arousal of Caroline first intention, though it prothe careful craftsmanship.

grief over her loss, and brings dignity and understanding to dual features.

sympathy, which is Grumberg's tense. black figure of Mme. and Georgine Anderson, as the Sandy Ratcliff as the tarty Lynn Farleigh as Simone has button-holer, Brenda Cavendish little stated with which to as Marie and John Levitt as the establish the progress of inner presser, create together a vivid

#### Cinema development at the ICA

Arts has announced plans for Cinema and ICA Cinematheque. converting its existing cinema into a facility which will reflect developing interest in indepen-

The Institute of Contemporary public-access video library—ICA

At the same time two major funding bodies have announced grants to the project. The British Film Institute is to give

EDINBURGH FESTIVAL

Scene from 'All That Jazz'

# The Tarnished Phoenix/Mime

by MICHAEL COVENEY

gentile of Edinburgh venues, Gods." Tea and biscuits, ladies in hats, personal appearances by big stars on their best behaviour. The Tarnished Phoenix, even though it is a compilation of poems and letters by D. H. Lawrence, is just the thing. Ian McKellen, who has recently completed a performance of Lawrence on film, comes on clean-shaven and casually

After a studiously coy few words of introduction, he is joined by Sheila Allen, a late replacement for Janet Suzman as Frieda.

At least Roger Pringle's loose-leaf reading avoids the patronising class-room manner of Richard Hoggart's recent Lawrence play. This is done by consigning hard information to the in Edinburgh during the minimum and allowing Lawrence and Frieds to speak for serious" culture. Scottish themselves, it is, of necessity a partial view of their relationship, concentrating on the company's marketing directions. endless travel and what a great for, "we knew that the very genius he was. The crux seems atmosphere, the fun, the bonto come in a letter written from homie of traditional jazz was Italy in 1914, where Lawrence much in keeping with the Dry-offers a blueprint for marital brough name and the reputation bliss that sends a solver about Thus Drybroughs are vaccing your career or paying the mort-Edinburgh's second international jazz festival from August tional jazz festival from August bliss that sends a shiver down of our beers and our pubs." your partner's estimation of you. That sounds all right if you

The poems were beautifully read by both actors, Miss Allen discovered musicians. tion for "How beastly the Parislan quartet, L'Orpheon 24 at 4 p.m., with a marching bourgeois is " and Mr. McKellen Celesta return with European parade down Princes Street led

For the benefit of John Knox, we had "Conundrums," the poem written after the suppression of Lady Chatterley's Lover about sex being all right as long as you don't talk about it. Few shock waves, though. The ladies in hats were still smiling.

The Moving Picture Mime Shows at the Moray House

Saint Cecilia's Hall is the most "Sname" and "There are No that was a vivid and semi street scene for the three tumbling, clucking young boys.

It needs cutting by 15 minutes, but there is a really clever interweaving of four narrative mimes. We see the world going to work, shoving and pushing on the tube, clocking on, attending board meetings, running messages. At pery infant along a high-rise ledge. One sequence in parti-Gymnasium are much improved cular stands out, a traffic sparl since I first saw them. On up with the screeching and Wednesday afternoon they per-horking done in a vocal travesty formed a new piece, City Limits of the Blue Danube Waltz.

## Jazz festival at Edinburgh

Last year for the first time a jazz festival was organised city's annual festival of "more serious" culture. Scottish

24-28. It is broadening its wings geographically and stylistically happen to be a saint or a genius. but will retain the emphasis on "hot" traditional jazz and un-

From last year's festival, the

gypsy band who follow in the tradition of Django Reinbardt, along with Denmark's Bourbon Street Jazz Band.

Also back from last year are the Savannah Syncopators, Kid Dawson's Onward Band from Newcastle and George Pen-man's Glasgow band with vocalist, Fiona Duncan. This year sees bands from London: The New Era Jazz Band and the quintet of clarinettist Sammy Rimington.

Edinburgh's own bands feature strongly and include the Old Baileys Jazz Advocates and the Society Syncopators who played at last year's traditional jazz festival in Sacramento. California.

The Festival opens on August battening down the hatches in neighbours, Waso, the Belgian by Andrew Hall's Society Band.

tivity.

Miss Tureck remains one of

In the Messiaen Quartet the

# **BUSINESSES FOR SALE**

# Summer Music

Wednesday night's recital in the Summer Music series restored Rosalyn Tureck, the harpsichordist, following her piano concert the previous She alternates keynight. boards just as she pleases, but can always put forward ample justification for her choice. She occupied the first home, a mother pursues a slip- half of the concert in further performances of Bach (on whom she concentrates exclusively1-Tempered Clavier and the Italian Concerto. The remainder of the programme was given over, with an inappropriateness richly in the spirit of current South Bank proceedings, to Messiaen's Quartet for the end of time.

> Miss Tureck is not absolutely irreplaceable harpsichordist as she is pianist. The previous night's sublime communings were not approached; her style of performance and the mental penetration of the music did not on Wednesday have that earlier distinctiveness. What before had been boldness, even a special masculininity of spirit persuasively vindicating itself, melting easily into a lyrical line, now often struck one as just brash, captious, overassertive. Tempi approximated much more to conventional levels; a conventional quota of finger slips occurred too in contrast to Tuesday. Miss Tureck retained her individual practice of playing all repeats, but did that with customary sensi-

The C minor Prelude and fugue (Book 2) yielded much in proportion as it received an effectively slow pacing. The registral changing and forth-rightness of her Italian Concerto first movement (the two came memorably together at the recapitulation) and the intense elucidation of the cantando slow movement were impressive and enjoyable.

the best harpsichordists of the day. But nothing on Wednesday rivalled the transfiguration of moment in the adagio of the piano concerto when her two hands, perfectly attuned, hands, seemed to be travelling to separate spheres.

problem was, as usual, to contain celestial aspiration. Stephen Kate's cello solo Lorange u l'eternite de Jesu rightly bodied the utterance by indulging its Messiaen-like, Fauréesque serelementary classifications. its timentality though Emanuel Ax's accompaniment achieved a contrasting incisiveness.

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# Rubbra's new symphony In a single movement lasting There are the familiar virtues of the basic pulse and more

phony is the only BBC commission to receive its first performance at this year's Proms. It was the central work Nicholas Cleobury.

At a time when the faithful unlikely to have been dis-appointed by the new symphony. a barely perceptible quickening

barely a quarter of an hour, of unexceptionable taste and obvious for the sharper focus of Edmund Rubbra's eleventh sym- easily generated lyricism, of its rhythms; the return of the melodies that seem able to sus- slower music is foreshortened. tain themselves indefinitely, and and the symphony seems to end the equally familiar distrust of prematurely, before its themes in Wednesday's concert by the show, an introspection that Northern Symphony resfuses even to clothe the Orchestra; the conductor was music in attractive orchestral colours.

Rubbra's recent music has band of Rubbra admirers is tended to dwell upon the beginning to get something of properties of particular intends large output on to record, vals. Here the basis is the fifth, the BBC's support was well- announced in the opening horn judged. Those who follow the call and dominating every composer as much because he melody and accompaniment preserves the conservative thereafter. Everything in the values of tonal music as for the symphony grows out of those intrinsic quality of his work are opening bars. There is a flow-

have apparently reached a definitive shape. Apart from an elegantly turned oboe solo and some evocative horn writingevocative, that is, of other composers, for Rubbra's lack of individuality remains a decisive weakness—the orchestration is

purely functional, The symphony is recognisably English. and equally recognisably a product (just) of the 20th century; apart from those character would be hard to

ANDREW CLEMENTS

# FINANCIAL TIMES

Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday August 22 1980

# Reality keeps breaking in

yesterday for public borrowing in the second quarter of 1980 fall into what is now becoming a pattern of the early years of the present Government: policy simply to win the battle.
decrees one outcome, but The difficulty is most readily reality tends to deliver the opposite. Just as we have recently discovered that despite a declared policy of tight restraint for the growth of the broadly defined money supply. its growth has probably accelerated sharply we now discover that public sector borrowing is clearly likely to accelerate too.

The figures, as always, are very hard to interpret. The financial markets have for some weeks been readying themselves for a PSBR of £10bn in the current financial year rather the official target of £8\u00e4bn-only a small rise from the out-turn last year. This now begins to look a conservative estimate. It is not just that the public sector has borrowed just over half the policy target figures in the first three months of the financial year-the quarterly pattern is not reliable. The reasons are also sadly suggestive.

#### Window dressing

It may be tempting to attribute the rise to the recession, which reduces revenue and increases expenditure; but there is precious little evidence to support this view in the monthly figures for central government finance which have already appeared. The recession. and especially the very sharp fall in UK energy demand, may help to explain disappointing figures for the nationalised industries, but no more.

The real culprits are familiar -public sector wages, over-spending on defence, and over borrowing by the local authorities. A further, unknown sum can be attributed to the desperate window dressing seen last March, when in an effort to produce a respectable figure for 1979/80 assets were so'd. petroleum revenue tax was collected in advance, and the British National Oil Corporation sold oil forward. Most of these transactions leave a corresponding hole in revenue this year, and some major effects

have yet to appear. for tighter control of everymore complicated and less flattering to Ministers. Too

THE ESTIMATES published often, in their first year in yesterday for public borrowing office, they have willed the ends without bothering their heads about the means, like a general declaring that his strategy is

> seen in defence, where Government plans called simultaneously for expansion and for economies, and something had to give. It is perhaps more tellingly illustrated in local authority borrowing. It is Conservative council which have been unable to meet Ministerial demand for economy-not for lack of goodwill, but because the demands paid inadequate heed to the problems of authorities which were already running lean budgets.

#### Excessive

As with the money supply the Government will probably feel compelled to treat bad figures as so much water under fying the nationalised industry balance through large price rises has already attracted much criticism. It would be still harder politically to raise taxes or slash programmes while unemployment soars.

Ministers will no doubt com fort themselves with the thought that whatever the figures say, their policies are producing results. Sterling is strong, inflation is beginning to abate, wage bargaining is becoming more realistic, and investment remains surprisingly

They should not be allowed this illusion. The present state of the economy is not the result of the Government's declared policies, but of what has actu-ally occurred—a combination of excessive public sector financial needs (which are the total of borrowing plus asset sales) with some monetary constraint. High interest rates have protected the exchange rate and, as a result, protected some of the real value of excessive wage increases. High real wages are raising unemployment and promoting investment-not in expansion, but in labour displacement.

These developments are not what the Government intended. and are not healthy. There The Government's friends may be good reasons for avoidmay wish to attribute all its ing disruptive lurches now; but to bureaucratic for the longer term policy call simply changes are neede changes which will enable the thing in sight; but the truth is Government to attain in reality the objectives it has laid down

# The battle of the Channel

AMID ALL your sympathy for In practice that means reducthe travellers who got stuck on ing crews, which the unions are both sides of the Channel by resisting. the French fishermen's blockade, spare a thought for M. Joel Le Theule, the Minister of Transport. Left in almost lonely glory in Paris while most other Ministers are on holiday, he has been caught squarely in a welter conflicting interests. The navy's reported move tυ clear the oil ports shows how serious the whole business may

The fishermen have asked for compensation for the ever-rising cost of their diesel fuel, subsidised though it already is. M. Barre, determined to administer the free market medicine. wants the rising cost of oil to percolate through to the last consumer. On top of that there is an old fashioned industrial dispute about manning levels.

# Martyrs

In Britain, public opinion has been treated to a revival of the spirit of the Hundred Years' War, though the martyr this time is not a peasant girl from Loraine, but a tripper from Manchester or where you will. As a good Gaullist. M. Le Theule be able to shrug off British woes.

But can he and M. Barre be detached about the hopes of re-election next year of their President, M. Valery Giscard The fishermen's cause has been espoused by the Communist-led trade union organisation: other unions have joined in. so that the Left has been grabbing a few headlines. Whether France really cares during the August break is an-

other question. None of this is to say that the dispute should be taken lightly. Industrial strife carried out on the backs of others never is attractive. M. Le Theule knows: reminding Paris of their worries he was the Minister in charge two years ago when French air traffic controllers ruined many policy does already apply in the a holidaymaker's and business

The fishermen's fight is a the owners make economies, adjust to the world as it is.

Elsewhere inshore fishermen are involved, especially in Brittany, Normandy, and Corsica. These are traditionally conser vative areas, though their relations with Paris can be prickly. The inshore fishermen are not industrialised: boats generally are family-owned and crews are paid by sharing out the proceeds of the catches. Many of them work from coasts beavily dependent upon tourism, which may explain why they were reluctant at first to join in the

## Competition

Both kinds of fishing vessels get their diesel fuel duty free and subsidised down to a level where it costs less than half of what diesel fuel costs at a normal pump, like their con-freres in Britain, they describe as cheap. For what it is worth, the British authorities some time ago came to the conclusion that the main EEC fleets are subsidised roughly to the same extent, though in rather different ways.

France does in fact import more than half of its fish, at a cost to the trade balance exceeding FFr 3bn (about £304m) a year. That is no small figure. Nor is the number of 23,000 persons employed in the industry, plus another 100,000 indirectly dependent upon it for work.

The real background to the problem is that the world has changed. With the introduction of 200-mile zones of economic management, ocean going boats from European ports have been driven back into European quotas in the European Community shows that. Who can blame the French fishermen for

under such circumstances? An infant common fishing Community: limited funds exist to take some fish off the markets to support prices. But the last double one. In the area of thing that is wanted is a Boulogne and Etaples there is Common Fisheries Policy to The Government has Common Agricultural Policy. SEVEN weeks ago, at mid-night on July 4, UK petrol prices dropped by around 2p a gallon-to the great delight, but almost total baffle-

ment of the average British

Only a year earlier he had been forced to wait in line for hours outside his local garage. praying that the pumps would not run dry before he reached them while simultaneously cursing the unprecedented heights that petrol prices had attained. Between the middle of February and the beginning of July last year, average pump prices soared from 84p to £1.18 for a

gallon of four star—an increase

of over 40 per cent.

In the U.S. the panic over petrol supplies reached such proportions that some gasolinehungry motorists chose to ride shotgun down the long queues that formed outside the pumps —latterday highwaymen de-manding: "Petrol or your life." Yet today the famine that faced consumers appears to have become a feast. Not only is petrol available in cut-price abundance all over Western Europe, but the market for other oil products is also weakening rapidly.

Mr. Peter Baxendell. chairman of Shell Transport and Trading, said yesterday that the world oil industry's stocks now stand at 5bn barrels enough to last for 100 days and the highest level ever reached.

Demand and prices bave fallen so sharply that major oil companies like Shell, British Petroleum and Esso now openly admit they are finding it cheaper to buy products on the Rotterdam spot market than to make them by processing crude through their own refineries.

The abrupt turn-around seems at first sight to lack both rhyme and reason-for there has been question in the minds of most petrol and heating oil. oil product customers—whether they be motorists buying petrol or industrialists purchasing fuel oil to power their plants—is whether or not the good times are going to last.

The evidence suggests that

the part of consumers could

famine to feast SUE CAMERON looks at the present

softening of world prices for oil and oil products, and questions whether the good times can last.

are that the pendulum will some of their older refining swing the other way with capacity in Europe and other

Mr. Baxendell said that the reason the major oil companies were continuing to stock up on crude—in spite of the fall in demand for oil products—was that they did not want to "prejudice" their supply contracts with producing countries in case there might be another shortage. If they ended their contracts with the producing countries now-or cut back the amount of oil they were buying on contract—they might not be able to boost supplies later when they needed to do so.

Just as turmoil in Iran precipitated last year's oil crisis, so could action later this year by Middle East crude pro-ducers — notably Saudi Arabia - lead to a firming up of the products market

#### Mothballed plants

reasons for the present softness • Fuel oil has suffered the bigof the market but chief among them is the recession that is taking its toll in both Europe the U.S. Demand for products such as fuel oil has dropped away as manufacturers have been forced to reduce output, close plants and pare down their distribution net- Naphtha, the most important works. Meanwhile individuals of the petrochemical industry's no major drop in world crude have also been feeling the pinch prices. But the most pressing and have been cutting down on

that overall demand for oil much the same on the Continent \$40 a tonne. except that demand there has The fact any heartfelt sighs of relief on fallen at a slightly lower rate. naphtha-both used primarily

maintenance prolengthy Industry experts believe that even when business starts to pick up again, some of the less economic refineries will stay shut. But some products have been hit harder by reduced demand

plants are being treated to

and falling prices than others.

• Jet fuel, for example, appears to be holding its own reasonably well and even on the comparatively cheap spot market prices have dropped by only some \$10 a tonne during the last three months to \$323 to \$327 a tonne

· Petrol demand is holding up

• Gas oil, used chiefly for heating, has fallen rather more sharply. At the start of the year weighted average price of gas oil - taking in both spot and contract prices — within the European Economic Community — was around \$312 a tonne. Today it can be bought for as little as \$270 a tonne on the spot market.

gest drop in demand and in price of all the oil products. It is estimated that demand has fallen by around 30 per cent in most European countries and there is little hope of it picking up substantially in either the short or the longer term.

have also been feeling the pinch raw materials, has fallen even further than fuel oil and seems set to continue its downward BP Oil and Shell both say spiral. The spot price of nat overall demand for oil naphtha is now about \$100 a products in the UK has dropped tonne lower than at the start by around 15 per cent compared of the year and the contract with last year. The picture is price is down by around \$35 to The fact that fuel oil and

Most of the major oil com- by industry—have borne greater well be premature. The chances panies have now mothballed drops in price and demand than

largely responsible for the while the recession is bringing cheaper to buy there than to present state of the market. But it is argued that con-

World oil market: from

important part in bringing down consumption,

The Iranian revolution last year certainly led to a flight from oil and oil products and to redoubled efforts to save energy in all its forms. The drive to cut energy consumption has had some notable successes—such as the estimated 14 per cent reduction in U.S. oil imports and attempts to conserve energy in West have undoubtedly been one of the factors leading to the present drop in demand for oil

But the oil industry extremely sceptical about the claims made by some of the "Save-it" campaigners. A senior executive in one major oil company commented dryly that while the U.S. may have reduced its oil imports, it also increased its domestic crude output during the last year.

In France, West Germany and the UK a number of power stations have begun to use coal instead of fuel oil and this has clearly had a bearing on the dramatic drop in fuel oil

demand.

Plunging prices may be good news for consumers—but they are a real headache for the oil industry. Top executives in the major oil companies say tersely that they are used to peaks and troughs in their business. Oil they say has always been the balancing fuel — the one that consumers use to make up any shortfalls in supplies of gas or One oil products manager

said that last year's fears over security of oil supplies had encouraged many commercial and industrial consumers to increase their stocks. In 1979 most companies probably had enough fuel oil in stock to keep them going for three or four weeks. Today they keep six, eight or even 10 weeks' supply on band.

What the big oil companies would like to know is the rate at which their industrial and commercial customers are now running down their fuel oil

that the recession is very is fading from people's minds majors themselves find servation has also played an tion in Iran could be thrown to sooner or later Rotterdam will the oil majors are uncertain as rise again. to how companies are reacting

to these conflicting pressures. the current drop in oil product. prices. Lower prices are clearly a result of reduced demandbut the oil companies believe there is another factor in the

#### Oil companies bypassed

They say that since last year many of the big oil-producing countries have been selling more of their crude through government-to-government deals instead of offering it to the oil companies. Shell estimates that the amount of crude going through government-to-govern-ment deals has risen by 3m barrels a day in the past 18 months. The sellers in these deals tend not to charge the premiums on their crude prices that they demand when selling to the oil majors. One country that has been selling more of its crude through government-to-government deals is Saudi Arabia, which is not only the higgest of the Middle East producers but also a pricing moderate. Saudi crude prices are still around \$4 a barrel than most comparable Middle Eastern oils.

The major oil companies maintain that some of this comparatively cheap crude has been refined and has then found its oil products market. way on to the spot market. Hence the unrealistically low prices being charged for some oil products at Rotterdam-or the majors would argue. 50 They argue that spot prices have fallen rather faster than contract prices.

quantity of oil and oil products

some other oil products suggests stocks. The oil crists of 1979 prices fall so low that the oil cash flow problems. The prud- refine their own crude-which ence engendered by the revolu- is what is now happening-then the winds in the face of the be unable to meet their needs. present economic downturn. But And spot prices will start to

There are plenty of events on the cards that would all result They are much more confident in a return to higher pricesabout one of the reasons for on the spot market and on contract-for oil products. Oil experts point out that the market is probably much tighter at present than it seems partly because of the distorting in-fluence of the relatively tiny spot market and its prices.

It would therefore take only a small hiccup in Middle East politics to send a shudder through the entire market. Once oil companies and oil produc consumers got wind of another crude shortage, prices would

There is also the prospect of Saudi Arabia raising, its oil pric or else cutting back its pro-duction. The kingdom is main taining its present high crudoutput of 9.5m barrels a day if an attempt to influence the pricing hawks within the Organisation of Petroleum Ex porting Countries. What the Saudi authorities would like to see is a more cohesive and moderate pricing structure within OPEC.

But at the next OPEC strategy meeting—in November—Saud Arabia may have to make some concessions to reach in objective. The most likely possibilities are a reduction in crude output or a rise in the current Saudi marker price from \$28 a barrel to nearer \$33: a barrel. Either would be enough to firm up prices in the

This would not imply a return to the kind of regular and. dramatic increase in oil product prices that hit the West last year. But it would put an end to the present downward slide in the prices of gas oil. naphtha and petrel.

Yet however attractive spot There is little chance that oil market prices may be, the and oil products prices in the West will follow the path of passing through Rotterdam is Icarus who flew so high his comparatively tiny—between 5 waxen wings melted in the sun-per cent and 10 per cent at a so that he fell, crashing back generous estimate. If spot to earth.

4.0 (977) <sub>27</sub>

# Factors in the world oil price **World Energy** Supply **Major Countries** Oil Consumption **World Energy Demand Estimates**

#### Keeping home fires burning

Though faint by conventional standards, the glimmer of light emanating from the Brino heater factory in Warwick shines like a beacon through the blackness enveloping the Midlands. This modest little company.

turning over around £1m a year on domestic heaters, is in the unusual position of having almost too much work, "Yes, says managing director Edith "we are going full out. People have cancelled their holidays and the staff have volunteered to work through tne August Bank Holiday to keep things moving."

Almost apologetically. explains that Bruno had to close its order books a fortnight ago, and with winter coming on and a bumper shipment of 67,000 electric fires to be sent to the Middle East, she does not expect to open them again until the end of November. Mrs. Lowy, a trained institu-ional cook "on the right side tional cook is far too busy to ponder deeply on the train of events which brought her such success when all around is gloom. Since taking over the husiness on the death of her first husband in the mid-sixties

opened up her main export trade with the Middle East. Now running two shifts a day with her regular staff of 35plus another 15 draftees from waters. The fight for catch the Job Centre—she is wholly absorbed with the task of ensuring that her company's performance continues to match the promises she makes to win trade in tough Middle Eastern

she has retooled the works and

markets. "Our advantage." she boasts with not a hint of doing-down the opposition, "is our relil ability. We keep our promises on delivery dates." And she can his Weltanschauung, so I will afford to be gracious towards not risk duplication by going a straightforward labour dis- rival the perfectionism of the those who in the early days hampered her export drive. "I offered increased financial help Fishermen everywhere - not have never had any trouble feel like the sweet smell of bag-



news is, there is had news for the Kremlin somewhere . . . the bad news is we can't hear it!"

to go on an overseas trade mission six or eight years ago the British didn't want to take me because I was a woman.

## Sporran partner

I am happy to say that the "working breakfast" is not yet a regular feature of British business life. For those of us from time to time dragged in to with an American visitor, it comes as something of a shock to the system

Pity, then, my man in the of Edinburgh, festival huddled behind the porridge and kippers yesterday striving bravely to keep pace with the energetic analysis of the American economy propounded at sunrise by Malcolm Forbes. editor and publisher of the immodestly-named business magazine.

Forbes is, of course, not short of pages in which to expound into too much detail here. Suffice it to say that his words to re-equip the fleet, providing only in France — will have to dealing with the people out pipes upon the ears of the the numers make economies. adjust to the world as it is.

as he expounded his views on how to attract investment into the tartan lands.

What's good for Scotland. Forbes argued logically, is good for the UK. With the U.S. recession prompting many corporations to shelve their plans for European plants, now was the time to catch their ear. he piped. With time to think, some might he persuaded to change the decisions they've already made and plump for Scotland.

Forbes finds time in his executive lifestyle for an impressive array of pastimes. He is a hot-air balloonist, and when not floating through the ether be hunts, sails, motorand has one of the world's largest collections of toy soldiers, which he marshals in a palace in Tangier.

#### Puffing away Come dragons, paper tigers, or any other weird and wonderful

banking beasties . . . true blue Barclays is undaunted. Vicechairman Deryk Weyer yesterday jauntily shrugged off all suggestions that the new retail banking services of Red Dragon Securities and other parvenus might disrupt the calm of the British High Street. We are prepared to meet the

compelition head on." he boomed. "I'm a little cynical of all these red dragons and green dragons and others because I think they appear only when the interest rates are high.

" But they will disappear soon enough. As soon as the interest rates goes down, so will they. I've seen them come and go in the past, and they'll come and Any more questions?"

Change of key

From my eyrie high in the vaulting of Bracken House, I have often in recent weeks peered down at the offices of neighbouring banker Singer and Friedlander. In those moments, I muse upon which happy suitor will bear it out of the arms of

and McLellan, which acquired it through the recent takeover of Singer's parent company C. T.

Bowring. Marsh wants to sell Singer: and while Singer enjoyed a happy relationship with Bowring foreign parentage would put it beyond the pale of the elite Accepting Houses Committee through which the Bank of England bestows its blessing upon the choicest merchant

Since the simple observation of visitors to Singer failed to yield any leads, I was unable to contain my curiosity any longer. What, I asked deputy chairman Peter Brackfield, is happening?

There are." he replied "negotiations in progress, and we are hopeful that before long we shall have new owners." The six months which the AHC gave Singer to find new parents or go out into the cold end shortly after the New Year, but Brackfield is now optimistic that a deal will be done by Christ-

The interregrum has had "no perceptible effect on the bank's business." Brackfield told me. But where a resolution would be welcomed is among the bank's staff, who are understandably beginning to feel a little nervous about what will happen. Brackfield would not be

drawn into revealing just who had shown interest in the bank. but those more assiduous than I at observing the Cannon Street nortals suggest that several foreign banks are hardening up proposals. It seems, however, that Singer itself would prefer a British owner, since that is a sine qua non for AHC membership. Nor, happily, is there yet any sign that "Marsh Mac" would force Singer into a marriage of convenience.

## Thumbs down

Hullo, old man. How's married "Can't complain . . . the wife is adamant about that."

*Observer* 



# WITH HUNDREDS OF BRANCHES YOU NEED ROOTS IN THE RIGHT PLACE

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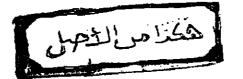
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# Britain bounces back in Nigeria

LAST WEDNESDAY Mr. Nigel Salmon managing director of Guinness of Nigeria, was marooned in his brewery in a Lagos suburb as a rain-induced lake swelled in the surrounding streets for the 13th time this

We survive on the assumption that things will get better," he said in a meeting that had become, perforce, a telephone

Mr. Salmon was being too gloomy. In fact, most British companies in Nigeria, including Guinness, have adapted remarkably well in the past few years to rapidly changing conditions in black Africa's richest country, which is also Britain's most important export market outside Europe and North America.

Despite increasing competi-tion, especially from Japanese, French and German companies, the British still have the largest share, more than 20 per cent, of a market that offers the magic combination of huge oil revenues estimated at \$27bn this year, and a large popula-tion, approximately 80m, to spend them.

The potential rewards are

obviously very high and, sur-prisingly, the financial risks need not be that great. But the headaches involved in doing business in Nigeria are intimidating. In addition to bad drainage, businesses have to contend with irregular electricity service, poor telecommunications, an unusually fickle approach to trading regulations by Government and astronomical operat-

ing costs One banker estimated the cost of establishing a simple basetelephone, office and flat, five start out assembling imported years' rent in advance, please —at £600,000 A long-estab-lished manufacturer in Nigeria lost its chief accountant last month because a competitor Leyland played along with offered to double his salary to the new Nigerian ownership £38,000 and throw in a house.

occasionally for former colonial associations. Last year, the Government expelled BP, removed its deposits from the local Barclays Bank associate and excluded British companies from bidding on big federal con-tracts—all because of Southern

The past two years would have been trying anyway. Trading was choked off by a wideranging ban on imports and swingeing public spending cuts. Meanwhile, a determined military Government was forcing most foreign companies to sell a majority of the shares of their local affiliates to Nigerians at bargain basement prices and then not allowing them to re-

patriate the meagre proceeds. Since the return to civilian rule eight months ago, trading conditions have improved and the British have bounced back with exports in the first half of 1980 returning to the more normal level of £552m com-pared with a disastrous £240.8m in the first half of 1979.

Most British businessmen in Nigeria really do expect things will get better still under a new Government that seems more eager to accommodate foreign investors than its military predecessor. And for those with patience and agility, new-comers as well as established companies there may once again be great opportunities for

Take, for example, the sur-. prisingly promising case of Ley-land Vehicles, which won a bid four years ago to become one of four so-called progressive truck manufacturers in Nigeria. The idea was that each would knocked-down kits and add progressively to local content. In return, they would be well protected from import competition.

policy, investing only £4.8m for r and driver. its 40 per cent equity interest in the British face the addition project. Most of the tional hazard of being punished funds for the project come from

lan Rodger, just back from Lagos, reports that British companies have adapted to

Nigeria's rapidly changing conditions and still hold more than 20 per cent of the market.

low-cost local loans. In return for its small stake, Leyland will sell £32m in kits from the UK this year and an estimated £80m next year.

In the new scheme of things, foreign companies understandably look more and more for deals like this and less and less at the stated profits of what have become their Nigerian associate companies.

Indeed, stated profits are not much help after the Govern-ment has restricted dividend payouts to 60 per cent of aftertax profit or 20 per cent of paid-up capital, whichever is larger. Dividend payments also face a 12.5 per cent withholding tax, rising probably to 25 per cent early next year, for payments abroad. On top of that. companies must then struggle to obtain central bank clearance to remit funds abroad, a process that can take more than a

Dividends can still be important in the few remaining sectors where the Government allows foreigners to hold up to 60 per cent of the equity, mainly companies in high technology industries.

into this category is a £20m glass bottle factory in which Metal Box has a 55 per cent 5 per cent. Toyo supplies the technology and the raw materials are obtained locally.

so MB's only source of revenue wants them to create more jobs from the project is the dividend. Of course, it also protects light manufacturing, and have

1980, and a £1m dividend was

Adjusting to the new rules has been particularly challeng-ing for the long-established coastal traders, among them Unilever's UAC of Nigeria, Lonrho's John Holt and Paterson Zochonis.

UAC of Nigeria, which had ecome accustomed to making a per cent return on capital. suddenly found pre-tax profit cut in half in the year to September 30, 1979. In the same period, John Holt (Nigeria) plunged from a pre-tax profit of £5.7m to a £5.9m luss. Pre-tax profit of Paterson Zochonis Industries (Nigeria) fell from £9.8m to £5.8m in the year ended May 31, 1979.

All three were hard hit by the import han and recession in Nigeria but they have also found that their traditional business of importing finished goods is becoming less profitable because of a variety of Government-

John Holt faced the added motor dealership from Fords to locally-assembled Volkswagens after imports were banned. In trols would be removed but they the process, it also lost its remain in force because of a disexclusive franchise because the Government wants to than Nigerians, rather foreigners, in the motor distri- them. bution business,

Incheape's associate One recent venture that falls Nigeria, Bewac, which used to profit performance of these have the lucrative Land-Rover franchise exclusively, has been similarly affected. and interest and Japan's Toyo Glass scrambling to diversify after is that they can make as much two years of losses.

The traders have got the message that the Covernment

dend. Of course, it also protects its position in a fast-growing packaging market.

MB's equity investment was about £3.7m and, after four years, the factory is beginning to produce reasonable profits, a little over £3m on sales of the course through light manufacturing, and have moved quickly to comply.

Since the companies have only a 40 per cent interest in their Nigerian associates, the decision to invest profits in new projects rather than pay one little over £3m on sales of bigger dividends (within Gov-£20.6m in the year to March 31, ernment guidelines) is usually borrowing rates are low and the banks, closely regulated by the Government, are eager to help.
As they move more into

manufacturing, profits of the Nigerian associate companies will tend to depend more on the vagaries of Government tariff policy The previous Gov-ernment had an annoying tendency to remove vital tariff pro-tection after using it 'o encourage industrial development. Many businessmen are disturbed by the current Government's tolerance of high levels of smuggling of consumer products. Another factor is price con-

trol. Leyland delayed selling the output of its new Nigerian factory for nine months last year until the Government agreed to realistic prices for it. Although it is still unable to meet demand for its beers. Guinness profit will decline slightly this year because it was unable to get a price increase John Holt faced the added for two years. It was finally complication of changing its allowed 121 per cent in June. The Government announced a few months ago that price conpute between two government of new guidelines to replace

> From the point of view of the British parent companies, the Nigerian associates is, of course, of less and less immediate concern. Their hope now intermediates to Nigeria as they

SOME OF THE BRITISH COMPANIES ACTIVE IN NIGERIA. (2) Leyland Vehicles JOHN HOLT & COMPANY ">

The Metal Box Company Limited

**Paterson** 

used to make out of exporting and selling finished products. So far, this year, the Nigerian associates have shown some recovery in their profits, while the British parent companies have been reporting major improvement in Nigeria-related

Another companies performance Nigeria is to remove from their main Nigerian trading associate worry, until the Government those operations in which starts appointing their execuforeigners can still hold a 60 per cept interest.

Berec did this two years ago and, in the past year its manufacturing company, in which it has a 60 per cent interest, doubled its pre-tax profits to £2.9m while the importing associate in which it has only a 40 per cent interest, suffered a 40 per cent drop in profits to £384,000.

While industrial companies should be able to adapt to new conditions in Nigeria, the outmoney exporting technology, look for foreign interests in management, raw materials and Nigerian banks and insurance

After accepting loss of equity clays, were shocked last autumn when the Government suddenly put its own nominees in the top executive positions. How long, they wonder, until the

banks are totally nationalised? How long, industrial executives tive directors as well?
Foreign companies with interests in insurance com-

panies in Nigeria, such as Guardian Royal Exchange, Commercial Union, Phoenix and the Royal, have also had to give up equity control. The Nigerian associates have been ordered to direct more of their reinsurance business through Nigerian companies rather than through their London parents.

The new civilian Government is aware that new foreign investment has dried up as a result of the upheavals of the past few years and ministers

control to Nigerians over the they want to encourage foreign past three years, the major investment again.

In its first budget last April, Standard Chartered and Bar- the Government scemed to be showing some proof of its good intentions with proposals to lower personal income taxes, raise permitted dividend payouts and increase the amounts Nigerian companies can spend abroad on technical fees.

With oil revenues running high again, the Government is to expand and most businessmen expect favourable trading conditions for some time to

"We foresee cash starting to circulate at quite a high rate by November and December." Mr. Peter Best, deputy chairman of John Holt, said, "and we expect to have at least two good years."

However, the problems of high costs, poor services and bureaucracy will remain. As the floodbound Mr. Salmon put it: -Unless you have got a firm base, you can get discouraged."

## The price of gas

From the Director, National Federation of Clay

Industries. Sir. - The letter (August 20) from Mr. J. H. Smith, deputy chairman, British Gas Corporation contains what appears to be sound sense if one really believes that in industries such as heavy clay and refractories power." This study supports the could possibly risk wasting gas. At the prices which industry has been charged in recent years and the energy content of production costs averaging 25 to 30, per cent, and strong market resistance to any price increase from customers, how can it? establish precise figures for gas prices on the Continent, but Department of Energy must now surely have enough evidence to support our worries about in-

creasing imports based on cheaper EEC energy prices. What is wrong is that, for years, the industrial gas consumer has been subsidising the domestic consumer in this country, whereas the reverse has applied to other EEC countries. The BGC annual report shows

that the increased consumption in UK last year was largely on the part of the domestic market. This is because gas is so much cheaper than other fuels, whereas, as the Prime Minister said on July 17: "On the whole. gas prices to industry have provided the profit to the British gas industry.

Those of us who are so concerned for the immediate survival of large and important sections of industry ask only that we should be able to hold our competitive position. We agree that Continental prices will catch up one day and we are aware of the Russian, Algerian and Dutch demands quoted by Mr. Smith. If Government policy would give us 2 plateau while they do, we shall have what we want. R. S. Redmond.

Weston House, West Bar Green,

## High energy costs -

From the Director General British Independent Steel. Producers Association

Sir.—The deputy chairman of British Gas Corporation (August 20) properly endorses the reasoned and unemotional approach" on energy costs in an earlier letter from Mr. W. Waldegrave, MP; but regrettably also supports the contention that no objective evidence on this matter is available. It also supports, at least by implication, the argument put by Mr. Waledgrave (and oft repeated by junior Ministers) that "it is essential to talk in averages"; talk, by all means, but what business or industry can live

Detailed submission by the steel industry (public and private) on the energy pricing question were put to Cabinet Ministers on July 31 and were noted in your columns on the following Monday. Copies of these have now been sent to Mr. Smith and Mr. Waldegrave, building and will I hope deal with some of the points they make. I would have been running at about the be grateful, however, if you same level. The bulk of the would allow me to deal with the money attracted away by the two specific points on which Government would be likely to

There exists a very compresswitched funds of the magnitude rules on the tax liability of its hensive study, prepared by the suggested. natural gas to all categories of heavy responsibility in the hous- competition in itself.

# Letters to the Editor

lished, but available to govern-Acts, the supply of houses in the ment departments. It is of very privately rented sector has dried recent date, and makes every respectable intellectual attempt to compare like with like, breaking down so-called "industrial" users into seven main categories, and even ironing out currency disparities by the use of an index of "standard purchasing

case we make. It shows UK energy intensive industrial user to be worse off than any of our main European them solely in the UK. (This latter point would be relevant if we were actually charged lower gas prices, since no question of discrimination against other customers could arise, but as it happens, our current plea is that we should at least not be penalised by our own Govern-ment-directed policy of using gas as a tax collector.)

Perhaps the departments of state concerned will in due course pronounce on this study, and maybe it will not persuade them; but let it not be thought that such data is not to hand.

Now as to the use of "averages," this is the greatest fallacy in the current argument, lent credence by Ministers and energy suppliers. Old contracts are certainly cheaper, here and overseas, and new contracts dearer, and there is a patchwork of each kind. We maintain that current and future prices are adverse to UK bulk users vis-avis those with whom we are exhorted to compete. But the worst of these "average" con-cepts is that which lumps together within "industry," concerns to whom energy is little more than 1 per cent of total cost, with those to whom this percentage can be more like twenty five! What kind of animal is the average between "one horse, one rabbit," and wht kind of policy can be con-structed if such thinking structed

A. H. Mortimer. 5. Cromwell Road, SW7.

#### Mortgage funds

From the Secretary General Building Societies Association Sir.—On August 18, Peter Riddell wrote that the Government "was considering ways of raising more money directly from the large, and rapidly growing, personal savings market. One idea under discussion was making the "granny bonds' scheme available to everyone. On August 20 your leader writer welcomed this news and suggested that a drive for personal savings would enable the Government to reduce its gilt issues by £2bn-£3bn. This, he said, "should bring substantial relief to industry at the cost of a little disappointment for house owners." I would like to examine the proposition and what the "little disappointment" could mean in practical terms.

In 1979, the net receipts of building societies totalled £3.3bn and during 1980 they

Building societies have a than to the existence of such consumers in all member couning field which they cannot ing field which they cannot tries, which is hitherto unpub- escape. Because of the Reut that the non-Government opera- 82, New Cavendish Street, W1.

up so people are forced to be-(and remain) owneroccupiers. If the supply of mortgage funds also dried up the whole housing market would start to grind to a halt. House Which, of course, brings us prices might fall in the short term but first-time buyers would be frustrated, existing owners

down even faster than it is at in terms of current gas contracts the present time.
than any of our main European The natural reaction of competitors, even though the societies, if their funds are UK has indigenous resources greater than any other EEC crease the rate offered to investors, and therefore the rate charged to borrowers, but there is no way in which they can compete with inflation-proofed Government media. Societies were offered the SAYE indexlinked scheme but had to turn it down because of the cost.

> will be disturbed by the thought that the Government may decide to increase its unfair competition in the savings fields, particularly a Government which private institutions would look very much like condoning the

Norman Griggs. 34. Park Street,

# Savers and the house market

From the Economic Adviser, The House-Builders Federation

20) leaves a number of vaguely but potentially important ideas hanging in the air, which need to be argued through to a more clear-cut, logical conclusion.
You imply that any attempt

by the Government to introduce

ways of attracting a much bigger flow of personal savings will end up being stifled at birth by the political priority given to building societies and the need for a low mortgage rate. You further argue that there is a massive distortion of the building societies and the housing market, and preagainst the national movement or any vehicle which the savings similar Government might use to tap the personal sector direct; and that a more successful direct tapping by Government of this personal sector will reduce the constraints which the public sector borrowing requirement places upon the institutions and through which it crowds out

funding for industry.

I am not aware of any serious objections which have been raised in the past to the intro-duction of aggressive but fair attacks on the personal sector from the national savings movement. True, there are always rumblings when with every upwards twist of the screw on minimum lending rate the Government announces yet a further juicy, tax-free issue of Savings Certificates: but this has not prevented their introduction in the past and the objections are related more to the equity and accountability of the Government, in its "judge and prosecutor" role as both they are (I submit) both in come from societies so we can tax-gatherer and commercial see the effect if investors operator, being able to set the in preferences between conown savings products, rather than preferences between

tors in the personal savings market should watch vigilantly, at the news that the Government is working on even better and bolder schemes, for any "thin end of the wedge" which would exploit the Government's privileged role to compete for funds unfairly and with hidden

to the second of your arguments, namely the "massive distortions" in favour of building immobilised in their homes and societies—a familiar enough "canard" of which, I suppose, the building industry would run we must expect to hear more in the wake of the Wilson Com mittee et al. What precisely are you referring to here? The lower rate of corporation tax for building societies as non-profitmutuai this is peanuts in terms of its effect upon competitivness and hardly relevant to the national movement anyway savines (clearing banks, yes, but you were not discussing them). The All deposit-taking institutions composite tax rate—surely you are not still pursuing that boring old hare which Inland Revenue staffing considerations alone will not wear, and again hardly relevant to the national! is pledged to bring the rate of savings movement? Mortgage inflation down. Offering these interest tax relief—ah well, palliatives at the expense of there we do have the \$64,000 issue which you do not specify or discuss. If you are worried about the distortive effect upon the relative attraction to the societies' savings products caused by this reduction in the borrower's price sensitivity. then say so and tell us what you would like to see changed.

But are you seriously implying that the borrower of the national savings movement's funds, ie, the Government, is Sir,—Your leader "Savers seriously disadvantaged by the and the house market" (August tax relief afforded to the borrower of the building society's funds, ie, the house purchaser? Again, the clearing banks might have a shout here (I do not happen to agree with it, though) but surely not the national sav-ings movement?

And now to this seductive argument, so suddenly popular these days, that by tapping the personal sector direct the Government can somehow ease the "crowding out" pressure from the gilts market and release institutional funds for industry and so on. I fail to understand, in my simple and non-technical way, how such a switch in the focus of Government borrowing from long to short, from wholesale to retail, from institutions to individuals will make one halfpenny worth of difference to the underlying flows of funds between the personal sector, which is the ultimate originator of all these funds with its net financial surplus, and the Government and corporate sectors. Indeed, read the excellent Stow report, from "massively distorted" fellows at the Building Societies Association, for an (looked at from the reverse viewpoint of whether the societies should switch from individuals to institutions, from retail to wholesale funding) into why you cannot alter the funda-mentals in the market with a few clever new gimmicks.

There is only so much available from the personal sector and, however you tap it, any increase in demand must raise the price unless matched by a real incréase in its supply, and that in turn will only come from a real change both in incomes and sumption and savings rather ferent savings products.

GENERAL at Hoover's Cambuslang factory to consider proposed redund-

Fourth International Exhibition of Miniature Textiles (textile art) opens at British Crafts Centre, Earlham Street, WC2 (until October 4). SPORT

Boxing: WBC Super Bantamweight Championship, Las Vegas —Wilfredo Gomez (Puerto Rico, holder) v Derrick Holmes (U.S.). Goodwood;

Butler Jumping Derby Inter-national, Hickstead (until August 25).

OFFICIAL STATISTICS Department of Transport pub-lishes new vehicle registrations

COMPANY MEETINGS Ariel Industries, Omnia Works,

# **Today's Events**

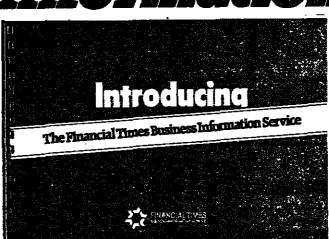
Cricket: Prudential Trophy-England v Australia, Edgbaston. Showjumping: Lambert and (until

Mill Road, Rugby, 12. Brownlee, City Sawmills, Craighall Road, Port Dundee, Glasgow, 12. Lennons, Abbottswell Hotel, Crysalton Road, Chester. 12. McLeod Russel, Victoria House, Vernon Place, WC, 12. Newman, Dragonara Hotel, Redcliffe Way, Paristal, 12. Whylisson, Coarse. Bristol, 12. Hopkinsons, George Hotel, St. George's Square,

Huddersfield, 12. COMPANY RESULTS ance Trust. Interim dividends: A1 Industrial Products. Alliance Trust. Benford Concrete Machinery. Pentland Industries, Ward Holdings. Interim figures: Hallam Sleigh and Cheston. MUSIC, London

Metropolitan Police Band plays in Tower Place, EC4, noon. Cello recital by John Franca, St. Lawrence Jewry. 1.00 pm. Canada's Famous Hart House songs, contemporary Canadian negro spirituals and OMPANY RESULTS traditional choral repertoire, St. Final dividends: Second Alli-Michael's Cornhill, 5.30 pm.

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# Barclays Bank rises £33m HIGHLIGHTS and lifts interim to 9.25p

Barclays Bank cent in group pre-tax profit to was significantly higher. £279.1m for the first six months of 1980. Although this is an £26.2m in the first half of 1979 improvement against £246m in to £64.4m this year. Of this improvement against £246m in the comparable period last year. increase, the charge for specific it represents a £4.3m pre-tax provisions almost doubled to decline from the peak second £40.2m while that for general half of 1979.

The interim rise compares favourably with two of Barclays' three clearing bank competitors: National Westminster earnings were up only 4 per cent before taxes and Midlands' profits dropped by 10 per cent in recent interim announcements. Only Lloyds, the smallest of the big four, did better with a 16 per cent midway increase.

Barclays' interim dividend is the most generous of the four major clearing banks. Share-holders are to receive 9.25p per £1 ordinary stock, a rise of 34.4 per cent over last year's interim (adjusted for a one-for-five scrip NatWest and Lloyds put their interim dividends up by 20 per cent and Midland maintained its payout. Sir Anthony Tuke, the group

chairman, said yesterday that the slight fall in profits against the second half of last year was mainly due to three factors. (especially costs) had increased, funds had current account to seven-day deposit and of Barclaycard holders had

revealed an increase of 13.5 per finally, provision for bad debts with around 5m a year ago.

Bad debt provisions rose from £40.2m while that for general provisions nearly tripled to £26.2m. Barclays said that the rise in general provisions, mostly loans and overdrafts, was purely on the rise in the

The charge for specific provisions was mainly related to manufacturing, construction and service industries in the Hollands, according to and the Midlands, according to In contrast to the Unique deputy chairman Mr. Deryk International turned in 40 per cent higher pre-tax profits. This Weyer. He said this was generally symptomatic of a

sheet.

The general provision figure brings the total to £171m in rela-tion to total lendings which have now reached £23.5bn.

Barclays also added yesterday its hope that recent signs of some slowing down in the rate of inflation in the UK would be followed by a reduction in interest rates. It was acknowledged that this would bring with it a fall in clearing bank operation and Mercantile Credit finance house would benefit. The bank confirmed that the number

yesterday margins were squeezed and risen to around 51m, compared

Meanwhile, Barclays said that more and more customers were making use of overdraft faci-lities. Overall utilisation now stands at around 62 per cent compared with around 50 per cent at the start of the first half of 1980.

In addition, customers were becoming more interest con-scious. Some 34 per cent of Barelays' funds were now held in seven-day deposit accounts, up from 31 per cent last year. Cur-rent accounts, however, had fallen from 39 to 36 per cent of

South Africa as well as better business in the U.S. and other

current cost basis. Barclays' pre-tax profit was down 10 per cent at £145.9m. The group said this differed from the historic pra-tax level mainly because of a current cost adjustment of £139.5m for monetary working capital. The interim dividend becomes uncovered on a current cost basis.

Barclays' shares yesterday moved 5p upward after the interim figures were unveiled.

# ML Holdings calling for £2m

A £2M RIGHTS ISSUE is proposed by ML Holdings, the announced its involvement in aviation and signalling equip ment engineer, which earlier system currently under develop-this month aunounced a 23 per ment for the UK and U.S. cent rise in profits to £1.03m for the year ended last March. The issue, which is under-

written by stockbrokers Shep-pards and Chase, is on the basis of one new share for every three held at 240p each. In the market ML's shares rose 37p to 355p. Giving their reasons for the issue the directors underline the

group's recent progress which has produced an increase in turnover from £12.3m to £19.8m in the last two years, mainly reflecting expansion in the defence business. This sector has continued to grow in the first quarter of the current year.

Production facilities at Slough have been, and will continue to be, Increased by the acquisition of new plant and machinery, and a start will be made in re-equiping the ML Engineering (Plymouth) factory to provide extra capacity for its defence and aircraft industry work.

governments. ML Holdings will have a substantial part of the development of weapons dispenser for the project.

Initially the rights proceeds will be used to reduce bank indebtedness. The directors say that they intend to at least maintain the

dividend at 7p per share on the enladged capital in the current Dealings in the new shares start on Tuesday, September 16, subject to shareholders approv-ing an increase in the capital at

annual meeting on Septem-The annual report and accounts are expected to be posted to shareholders today.

comment

When shareholders catch sight of ML's latest accounts they are likely to be presented with a

sharp deterioration in the borrowing position. In March, 1979, ML was showing overdrafts of £400,000, debenture stocks and mortgages of £532,000 and cash of £830,000. Income gearing in the year was not heavy with pre-tax profits of £833.549 after net interest costs of £220,264. ML has not yet revealed its interest charges for the last financial year, but the pointer to its current debt level can be found in the statement that the proceeds will be used to "reduce bank indebtedness" initially. Exactly why short-term debt has risen to swiftly to over £2m is not obvious, but the cause is probably a combination of factors; an increase in defence work, fewer orders with forward payments, some capital expendi-ture and a general building up of working capital requirements. A 37p rise, where the fully taxed p/e is 18. seems a rather

Lex considers the interim figures from Royal Dutch/Shell and Barclays Bank. After currency and stock items Shell's second-quarter figures show an upturn of 18 per cent to £440m after tax. Like other clearers a large bad debt charge is evident at Barclays so that, while profits are ahead of the same period last year, they have eased back against the previous six months. Lex also locks at the deal whereby UDS will be getting out of mail order. Finally, Distillers' annual report was posted to shareholders yesterday and Lex comments on the group's outlook. Other major news items of the day include the liquidation of Northern Offshore, a support services company, and a £2m rights issue from ML Holdings. On the bids scene there was news of a break-up in the discussions between RCA and Associated Communications.

# Distillers expects modest improvement

and will produce no more than a modest improvement on last year's results, warns Mr. J. R. Cater, chairman of The Distillers Company, in his statement to shareholders accompanying the

annual report and accounts. Sales of Scotch whisky and gin have shown a not unexpected weakness in the first quarter, he says, adding that stock levels in most world markets were high at the outset and the general recessionary influence of high interest rates and pressure on disposable incomes has inevitably encouraged a policy of destock-

As reported on July 18, group pre-tax profits rose to £193.9m in the year to March 31, compared with f180.1m and the dividend was lifted by 1p to 10.75p net with a final of 7.75p. Shareholders' funds amounted to £847.5m (£738.9m) and cash

and other liquid funds other than government securities £24.1m (£66.9m). There were long-term loans of £104.9m (£105.4m) and bank loans and overdrafts of £11.1m (£49.5m).

On a current cost basis, attributable profits are reduced to £65.7m (£67.8m) compared with a historic £148.3m (£120m). Although the dividend is adequately covered by the CCA profit the increase in share-holder funds shown in the CCA estimated amount required to reperal inflation states Mr. He adds, though that the shortfell has been slightly exacterated by the influence of VAT on the retail price index.

Mr. Cater again voices the board's strong reservations regarding the monetary working capital and gearing adjustments required by SSAP 16, which it peverse reaction to the rights considers inconsistent with other issue and the ex-rights yield is items in the profit and loss account some 3 per cent. The rating is asking for a lot from ML this year—perhaps too much.

See that the profit and loss account. Whisky shipments to the U.S. fell slightly during the year, al-

THE current year cannot be though the group's share of a viewed as one of great promise smaller market was increased. Price increases have made Scotch whisk still more expensive to the U.S. consumer than North American spirits, sas the chairman, and prospects for growth in this market are not

encouraging.

He welcomes the Government's attempts to secure pament of refunds on cereals grown in the Common Market and used in the production of wisk exported outside the EEC. The group's share of the refunds due, which are of the order of £42-£44m for the past ears and £20m for the cur-rent ear, will make a useful contribution to liquid resources.

Meeting, Edinburgh, September 18 at 12.15 pm.

Lex, Back Page

# Setback for Utd. Glass

AFTER £2.5m redundancy and other termination costs, and increased interest charges of £2.12m against £648,000, taxable surplus of United Glass—jointly owned by the Distillers Co. and Owens-Illinois of U.S.—slumped from £3.35m to £14,000 for the 28 weeks ended June 14, 1980. Turnover expanded by £16.35m to £95.29m.

The directors state that the under utilisation of facilities will continue to depress results year and profit for the period will be substantially lower than in 1979 - pre-tax figure for that year was £10.92m.

After a firm start, demand for mosi of the group's products weakened and there are no signs of any early improvement, the directors say. As a result output was reduced which entailed a number of redundancies

# Dale Electric £2m down despite second-half rally

able improvement in the second half, Dale Electric International, manufacturer of electric generating sets, reports a drop of £2m to £1.3m in pre-tax profits for the full year to April 27, 1980. In the first half, the figures had dived from £1.91m to £434,000. Turnover for the full year was also down, falling from £25.1m

Despite its disappointing year, the board says the forward view on both sales and profits is good. Commenting on the poor figures Mr. Leonard Dale, the chairman, says the group has had a tough, challenging year. Market conditions, mainly overseas, have been the most difficult for a decade. He adds: "We are not easily beaten and during the year we made changes to adapt to new market place needs and meet international competition

The first rewards of these changes can now be seen. The second half profits were double those of the first half. current year's sales intake of Dale generating sets is 90 per greater than last year's at

He says the group's new products, the Dale 8000 generating set system, the Houchin fixed system and the convers "Cadet" alternator, are all doing well. The new Leeds factory, designed to enable the group to upmarket into high voltage generating sets, comes on stream in October. After tax substantially lower

at £668,237 (£1.68m), stated earn-ings per 10p share are 4.03p two. Recent orders from Nigeria which hardly in (12.34p) and the final dividend and Iraq come to around £3.5m. look a bargain.

DIVIDENDS ANNOUNCED Barclays Bank .....int. 9.25 Broadstone Inv. .....int. F. Copson ...... Dale Electric Intl. .... First, Scot. Amer. Tr. int A. and J. Gelfer Herrburger Brooks ..... 2. Inv. Trust Guernsey int. 4 Malaysiam Tin ..... Moran Tea Noble and Lund ...int. R. and J. Pullman ..... Reliance Knitwear ..... J. Saville Gordon ....... Westwood Dawes ...int, nil Wm. Whittingham ...int. 2.25 Nov. 3 Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue.

is unchanged at 2.725p for a same again total of 4.125p.

Dale Electric has been through very difficult period this past year and while the pre-tax decline of 60.5 per cent is a poor showing, it is not as bad as that of others involved in the manufacture of generating sets. Petbow, for example, scored a pre-tax loss of £900,000 in its last year-end results. The dropping away of key markets in Iran, Nigeria, Iraq and Turkey was a serious blow, but Dale now says things are re-opening in the first

competitors in that it makes custom-made generating sets which sell at premium prices. In addition, generating sets only account for around 55 per cent of group turnover so all the eggs are not in one basket—aircraft ground equipment is a significant sector. Interest charges at Dale were up to £758,000 last year from £495,000 but the group's gearing is now around 30 per cent since its overdraft is down below £3m against last year's £3.5m. The dividend has been maintained, yielding 61 per cent at 94p, up 2p and the fully taxed which hardly makes the sharps

Dale has a certain edge over

# Whittingham rises midwa y

TAXABLE profits of William in the first six months, pro-Whittingham (Holdings), pro-duced a profit of £143,000 perty developer and photogra (£9,000). Investment income phic processor, advanced from £608,000 to £752,000 in the half year to April 30, 1980, on turnover of £10.76m against £8.18m.

Shareholders will not be disappointed with the results for the year as a whole, says Mr. John Wardle, chairman, but he warns of the difficulties faced by house buyers and thus housebuilders.

He adds that the poor summer weather at a time when spending power is reduced by a sharp economic downturn must have some effect on the photographic side. First-half profits from property

and development rose from £819,000 to £1,24m and the photographic division, which because of seasonal factors is normally expected to make a material loss

(£9,000). Investment income added another £186,000 (£108,000) but the taxable surplus was reduced by a jump in interest charges from £328.000 to £818,000. The interim dividend is lifted

from 2p to 2.25p net, absorbing £140,391 (£124,792)—last year, a total of 6p was paid from pre-tax profits of £2.21m. Six months' tax takes £9,000 (£28.000) and minorities £45,000

comment Helped by strong housebuilding

margins, and an unusually tem-perate winter, development profits at William Whittingham are up by 52 per cent. With of the uncertainty. The fully further rental growth from the taxed historic p/e is 10.7 at 115p, industrial property portfolio and quite an acceptable return from the dividends paid over the last colour processing in what had 12 months yields 7.6 per cent.

two thirds. Debt servicing costs however, have risen sharply thanks to the increased cost of replacement land purchases and further warehousing investment. Moreover trading profits are unifkely to be so buoyant in the second half. The group believes the housing market will pick up quite quickly, perhaps by the turn of the calendar year, but if silver prices are now far more acceptable to the photographic husiness, the processing market is increasingly competitive and promotional costs are rising rapidly. Yet, given that a main-stream tax liability will not arise until next year at the earliest, the shares are discounting much



# Royal Dutch/Shell Group of Companies

**Results for First Half 1980** 

The net income of the Royal Dutch/Shell Group of Companies for the second quarter 1980 was £680 million, compared with £710 million for the corresponding period last year. The comparison between the two quarters was significantly affected by the First-In First-Out (FIFO) method of inventory valuation used by most Shell companies and by currency translation and conversion gains. Adjusting for these two factors, net income for the quarter was some 18% higher than in the second quarter 1979. The increase in underlying earnings was mainly the result of the contribution from oil and gas production operations. offset to some extent by a marked fall in the earnings of the chemicals business outside

Net income for the second quarter 1980 and the first half year 1980 compared with the corresponding periods of 1979 was as follows:

		Second Quarter		First Half	
	1980	1979	1980	1979	
		£ mi	llion		
Net income before currency translation effect Net currency translation gains on	ts 590	653	1,378	1,204	
inventories sold and on monetary items	90	57	20	124	
Net income for the period	680	710	1,398	1,328	

Reported net income for the second quarter and first half 1980 includes, respectively, some £150 million and £470 million attributable to the First-In First-Out method of inventory accounting rather than a method which matches more closely the current cost of supplies with current revenues. This compares with some £280 million in the second quarter 1979 and £415 million in the first half 1979.

Capital expenditure for the half year rose by 35% over the corresponding period last year to a level of £1,325 million and this, together with an increase in working capital requirements of some £900 million, has been financed from Group resources.

Shell Oil Company of the United States reported earnings of US\$407 million, an increase of 47% over the second quarter last year. The improvement was mainly the result of the strong performance of its exploration and production segment. The earnings of the oil products segment also showed an improvement over the corresponding period last year. Shell Canada's earnings of Can.\$92 million increased by 53% over the second quarter last year, mainly due to improved market conditions for oil products and chemicals.

Outside North America, oil and gas production operations continued to benefit from rising prices. Sales volumes of natural gas decreased by 9%; oil products sales declined 7%,

- An interim report by Royal Dutch Petroleum Company and The "Shell" Transport and Trading Company, Limited on the results of the Royal Dutch/Shell Group of Companies, in which their interests are 60% and 40% respectively.

reflecting the continued general fall in industry demand. In their marketing operations, Group companies have, in the main, recovered the increases in crude oil acquisition costs and the higher unit costs resulting from the lower volume of oil products sales. However, with the continued slackening of demand and the crude oil cost advantage of some major competitors with access to Saudi Arabian crude oil, margins may be difficult to maintain. Chemicals results fell sharply, in line with the downtum of the economy. Selling prices came under increasing pressure as sales volumes dropped substantially, leading to lower

August 21; 1980

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Statement of Income		QUARTE		THALE
rareilielit ol liicolie	1980	1979	1980	1979
-		£ mi	llion	
evenues				
eles proceeds	9,901	8,263	19,961	16,181
s Sales taxes, excise duties and similar levies	<u>1,815</u> -	1,655	3,521	3,243
• • • • • • • • • • • • • • • • • • • •	8,086	6,608	16,440	12,938
ther revenues	148	182	300	366
hare of earnings of associated companies	172	150	404	318
terest income	84	79	168	149
	8,490	7,019	17,312	13,771
sts and expenses				
archases and operating expenses	5,903	4,650	12,038	9,159
lling, general and administrative expenses		498	1,022	1,058
coloration	112	84	205	163
esearch and development	53 263	46	98	92
epreciation, depletion and amortization terest expense	263 90	208 83	527 214	414 169
ration on income	829	679	1.650	1.287
exation on incomecome applicable to minority interests	122	61	160	101
	7,810	6,309	15,914	12,443
-		710	1,398	1,328
et income for the period	those set out in a e Group has cap are of reduce inter- increase net inco- or and £46 million are of earnings ( upanies. Prior (a	710 the Royal Du italized inter est expense me, after tak- in for the hali after tax) of lanuary 1, 15	1,398  Itch and Shell est incurred by £80 milli ing account of year. In add the oil produ 180, the Grou	1,328 Transport on Capital ion for the of taxation it taxation culton joint up share of
scounting policies for first half 1980 are unchanged from 79 Annual Reports (pages 42 and 43), except that the ojects of material amount. The affect of this change wa cond quarter and £116 million for the half year and to it d minority interests, by £32 million for the second quarte s been a change in classification whereby the Group should natures is included in share of earnings of associated com- mings (before tax) was deducted from purchased oil and come.	those set out in the Group has cap as to reduce interior increase net income and £46 millionare of earnings (opening for the Group shared the	710 the Royal Du italized inter est expense me, after tak- in for the hali after tax) of lanuary 1, 15	1,398  tch and Shel est incurred by £80 milli ing account vear. In add, the oil produ 80, the Groz included in L	1,328 Transport on Capital ion for the of taxation it taxation culton joint up share of
counting policies for first half 1980 are unchanged from 79 Annual Reports (pages 42 and 43), except that the igicts of material amount. The effect of this change wa and quarter and £116 million for the half year and to it of minority interests, by £32 million for the second quarter is been a change in classification whereby the Group shout trues is included in share of earnings of associated com- mings (before tax) was deducted from purchased oil and come.  arent company share therein:	those set out in the Group has capes to reduce interiores and the million are of earnings (do the Group shand)	710 the Royal Du italized interest expense me, after tak n for the hali after tax) of lanuary 1, 15 e of tax was	1,398  tch and Shel est incurred by £80 milli ing account vear. In add, the oil produ 80, the Groz included in L	1,328 Transport on Capital ion for the of taxation it taxation culton joint up share of
counting policies for first half 1980 are unchanged from 179 Annual Reports (pages 42 and 43), except that the ojects of material amount. The effect of this change was cond quarter and £116 million for the half year and to it of minority interests, by £72 million for the second quarter as been a change in classification whereby the Group shruturas is included in share of earnings of associated commings (before tax) was deducted from purchased oil and come.  arent company share therein:	those set out in a cap as the Group has cap as the income of the million or and £46 million are of earnings (apanies. Prior to d the Group shands).	710 the Rayal Duitalized interest expense ma, after tax) of lanuary 1, 13 e of tax was per Ordina 13-80	1,398  tch and Shalest incured by £30 milm ing account of year. In additional included in £ and the control of	1,328 Trensport on Capital on for the of taxelion tition, there otion join up shere of exaction on
counting policies for first half 1990 are unchanged from 179 Annual Reports (pages 42 and 43), except that the spects of material amount. The effect of this change was and quarter and £116 million for the half year and to it of minority interests, by £32 million for the second quarter been a change in classification whereby the Group shours is included in share of earnings of associated commings (before tax) was deducted from purchased oil and some.  arent company share therein:  by all Dutch	those set out in a cap as the Group has cap as the income of the million or and £46 million are of earnings (apanies. Prior to d the Group shands).	710 the Rayal Duitalized inter state of the sale of the hall after tax) of lanuary 1, 15 a of tax was	1,398  tch and Shelest incuned by £80 mith ing account of year. In add the oil produ 180, the Groz included in to ry Share 28-30	1,328 ITrensport on Capital on for the of taxation ition, there culon joint p share of exaction on
counting policies for first half 1980 are unchanged from 19 Annual Reports (pages 42 and 43), except that the jects of material amount. The effect of this change was and quarter and £116 million for the half year and to it is minority interests, by £32 million for the second quarter been a change in classification whereby the Group shours is included in share of earnings of associated commings (before tax) was deducted from purchased oil and ome.  Arent company share therein:  ayal Dutch	those set out in a cap as the Group has cap as the income of the million or and £46 million are of earnings (apanies. Prior to d the Group shands).	710 the Rayal Duitalized interest expense ma, after tax) of lanuary 1, 13 e of tax was per Ordina 13-80	1,398  tch and Shelest incuned by £80 mith ing account of year. In add the oil produ 180, the Groz included in to ry Share 28-30	1,328 ITrensport on Capital on for the of taxation ition, there culon joint p share of exaction on
counting policies for first half 1980 are unchanged from 179 Annual Reports (pages 42 and 43), except that the ojects of material amount. The effect of this change was cond quarter and £116 million for the half year and to it of minority interests, by £32 million for the second quarter as been a change in classification whereby the Group should be seen a change in classification whereby the Group should be similarly before tax) was deducted from purchased oil and come.  arent company share therein:  by all Dutch N. 6. Gollar equivalents  assed on 134,018,522 shares of N. fl. 20 atstanding at June 30, 1980)	those set out in a cap as the Group has cap are income net income and £46 million are of earnings of the Group share of the Gro	710 the Rayal Duitalized interest expense ma, after tax) of lanuary 1, 13 e of tax was per Ordina 13-80	1,398  tch and Shelest incuned by £80 mith ing account of year. In add the oil produ 180, the Groz included in to ry Share 28-30	1,328 ITrensport on Capital on for the of taxation ition, there culon joint p share of exaction on
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counting policies for first half 1980 are unchanged from 8 Annual Reports (pages 42 and 43), except that the ests of material amount. The effect of this change wand quarter and £116 million for the half year and to it minority interests, by £32 million for the second quarter been a change in classification whereby the Group shours is included in share of earnings of associated comings (before tax) was deducted from purchased oil and me.  rent company share therein:  yal Dutch N. dollar equivalents  sed on 134,018,522 shares of N.11.20 standing at June 30, 1980)  ell Transport pend	those set out in a cap as the Group has cap are income net income and £46 million are of earnings of the Group share of the Gro	710 the Rayal Duitalized interest expense ma, after tax) of lanuary 1, 13 e of tax was per Ordina 13.80 7-14	1,398  tch and Shelest incured by £80 milm account or year. In addition of the oil production included in £ 28-30 14-65	1,328 IT rensport on Capital on for the of taxation rition, there culton joint p share of exaction on
counting policies for first half 1980 are unchanged from 19 Annual Reports (pages 42 and 43), except that the jects of material amount. The effect of this change was and quarter and £116 million for the half year and to it minority interests, by £32 million for the second quarter been a change in classification whereby the Group shatures is included in share of earnings of associated comings (before tax) was deducted from purchased oil and one.  Arent company share therein:  ayal Dutch	those set out in the Group has continued interest in the increase net income and £46 million are of earnings (apanies. Prior to do the Group share)  14-00  3 7-24	710 the Rayal Duitalized interest expense ma, after tax) of lanuary 1, 13 e of tax was per Ordina 13.80 7-14	1,398  tch and Shelest incured by £80 milm account or year. In addition of the oil production included in £ 28-30 14-65	1,328 IT rensport on Capital on for the of taxation rition, there culton joint p share of exaction on

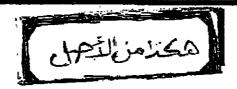
\* For illustrative purposes, to establish the division of income between Royal Dutch and Shell Transport, the ret musualitie purpose; to establish the parent compenies for the year 1979 has been used: Royal Dutch percentage of not income applicable to the parent compenies for the year 1979 has been used: Royal Dutch 60-7%; Shell Transport 39-3% (see 1979 Annual Reports, page 47 – Notes 2 and 3 to the Financial Statements

Royal Dutch guilders are translated from the underlying sterling at everage rates for the quarters in question: Royal Dutch and Shell Transport dollars are shown for convenience as translations of the respective underlying guilders or sterling at the end-June 1980 rates, which were: \$1 = N.f.1.932; £1 = \$2-36.

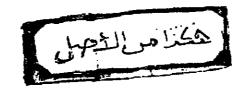
QUARTER	<u> </u>	FIRST HALI	
1979	1980	197	
£ mili	llion		
	<u> </u>	_	
771	1.558	1.42	
7/1 208	1,226	41	
177	370	31	
1,156	2,455	2,16	
35	<b>6</b> 5	. 5	
1,191	2,520	2,21	
543	1,325	98	
39	62	- 6	
142 436	233 864	20 92	
436 14	804	92	
17	36	2	
1,191	2,520	2,21	
		-	
23	136	3	
251	633	44	
68 · 12	135 22	12: 3:	
64	128	11	
7	40	1	
98	184	18	
4	15		
7	15	1:	
9	17	15	
543	1,325†	98'	
217	542	381	
87	206	15	
185	475	346	
33	62	53	
9	18	16	
12	22	30	
543	1,325†	981	
	4 645		
		2,838 3,223	
		1,945 4,253	

Operational Data		QUARTER	FIRS	T HALF
Operational Data	1980	1979	1980	197
Crude oil supply	t	housand bal	rels daily	
Europe	224	335	220-	321
Africa	541	507	513	513
Middle East		1,533	1,003	1,44
Far East and Australasia		139	136	15
Canada	598	570	599	- 5 <u>6</u> '
Rest of Western Hemisphere	60 227	79	70	7
Local purchases	1,219	226 1,300	212 1.183	221
	3,880	4,689	3,936	1,302 4,601
	3,000	4,009	3,936.	4,50
Crude oil processed	3,720	4,057	3,887	4,167
Oil sales			7.5	
Gasolines	1,551	1,583	1.492	1.577
Kerosines	397	411	414	447
Gas/Diesel oils	985	1.129	1,081	1,271
Fuel oilOther products	928 383	1,035	997	1,150
		438	381	408
Fotal oil products*Crude oil	4,244 185	4,596 566	4,365 240	4,853 576
Total oil sales	4,429	5,162	4.605	
comprising:	-		-,,-,-,	
urope	1,467	1,632 .	1.558	1,752
Rest of Eastern Hemisphere.	857 <sup>^</sup>	919	888	942
USACanada		1,123	1,031	1,212
Rest of Western Hemisphere	246	286	262	294
Export sales	371	379	369	376
		257	257	277
Naturai gas sales		llion cubic t	eet delly	· · ,
Europe Rest of Eastern Hemisphere	2,462	2,778	3,410	3,835
USA	556	552	554	-563
Canada			1,969	1,963
		656	633	705
· ·	5,485	.5,955	6,566	7,066
Chemicals sales proceeds	· <u> </u>	£ millio	R	
Europe Rest of Eastern Hemisphere	381	391	827	726
		66	136	127
<u> </u>		296-	665	568
Canada Rest of Western Hemisphere		21	47	34
	32	35	60	59
•	813	809	1,735	1,514

Note: The figures shown in these tables represent the totals reported by consolidated compenies which there is a majority interest), reflecting their dealings with third parties and with associate (i.e. those in which the interest is 50% or less); for caude oil processed and natural gas sales, figures incorporate the Group share of those associated



+ including interest capitalized in 1980 of £80 million for the second quarter and £116 million for the half year



# Distillers Export turnover increases to £386 million

General observations on results Turnover and profits

Trading profit for the year increased from £173.9 million to £183.6 million but did not proportionally match the rise of 12.1% in total turnover excluding duty, demonstrating the adverse effect of a high rate of inflation on percentage margins. Special factors which depressed profits were the weakness of the dollar against the pound, which reduced the sterling value of dollar denominated sales, and the disruption caused by the strike at Scottish establishments in the autumn of 1979.

The volume of Scotch whisky exported by the Group was higher than in the previous year. The early months benefited from shipments delayed by the road haulage strike in January 1979 and performance in the quarter to 31st March 1980 was stimulated by sales to replenish stocks which had been heavily depleted during the autumn strike, and by sales made ahead of export price increases. Sales in the home market on the other hand declined. Gin sales made further progress in both home and export markets.

The Food Group's profits were reduced due to a disappointing performance by The Peerless Refining Company, but the Carbon Dioxide Company achieved profits in line with those of the previous year. 1979 was a difficult year for the associated company, United Glass, resulting in a fall of £2.1 million in our share of its profits. Exceptionally high market prices in the second half year encouraged the sale of 2.35 million BP shares giving rise to most of the surplus on realisation of investments.

Despite the increase in profit, the effect of stock appreciation relief has been to reduce the charge for taxation calculated in accordance with Statement of Standard Accounting Practice No 15. Extraordinary items include the surplus of £4.6 million on disposal of a leasehold interest in a property, formerly occupied by the Group but latterly sublet.

#### **Dividends**

The directors recommend a final dividend of 7.75p per share. An interim of 3.00p per share has already been paid making the distribution for the year 10.75p. Together with the associated tax credit the total distribution is equivalent to 15.35714p compared with 14.12047p per share last year.

# Scotch whisky

#### Production

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Although work at a number of our distilleries was disrupted by a labour dispute in the autumn, operations were generally maintained at levels of output designed to provide balanced stocks for projected sales. The relationship between inventories and sales was kept under periodic review and despite the difficulties of long-term projection we consider the forward position to be fully covered by appropriate stocks.

Blending and bottling production was maintained at satisfactory levels for the first four months but during August was adversely affected by industrial action in support of the annual wage claim. The action culminated in a major strike at all but one of our plants, which lasted until the middle of October. Following settlement of the strike, exceptional efforts were made to recover the lost

At Kilmarnock good progress was maintained in the construction of a new blending plant for John Walker & Sons and further expenditure on closely related ancillary equipment has been authorised.

The construction of a new maltings and barley storage unit made good progress at Roseisle, Morayshire. The large whisky warehouse site at Bonnybridge was brought into operation and further accommodation is under construction.

At Carsebridge an extension to our by-product plant was commenced which will modernise the existing installation and result in significant improvements in thermal efficiency. The rapidly increasing cost of fuel makes such economies in energy usage at all distilleries of particular importance and they continue to be the subject of detailed studies.

Plans for a modern cooperage were approved and construction was commenced at Dundashill conveniently sited to supply Port Dundas Distillery.

## EEC

In my Statement two years ago, following the EEC Commission's ruling against our dual pricing system handed down in December 1977, I outlined in some detail the reasons for the withdrawal of Johnnie Walker Red Label and Haig Dimple from the UK market and for the increase, by significant amounts, in the prices of certain other brands including Black & White and Vat 69. At that time I indicated that we had lodged an Appeal against the ruling. That Appeal has now been concluded. An oral hearing took place in Luxembourg in January 1980 and the Advocate General gave his opinion on 12th March. He recommended that the Appeal be dismissed on the technical ground that we had failed properly to notify the dual price system but he considered that the Commission's ruling could not be upheld on the substantive issue, and that a form of dual price system could be justified. On 10th July the European Court delivered judgment. It followed the Advocate General's recommendation on the question of notification and rejected the Appeal but expressed no view on the substantive issue.

Last year I commented that the brands affected by our decision of December 1977 had benefited from an improved level of sales in continental EEC markets. In the year under review there was a continuing overall growth in these increasingly competitive markets, and both Johnnie Walker Red Label and Black & White achieved further significant gains in volume sales. We have, throughout the year, had to contend with difficulties created in certain other markets of the world by parallel export of our brands from the EEC. Although we strive to contain the problem, it has not proved possible to eliminate it and the flow of paralleled goods remained a matter of concern.

Over recent years there has been considerable growth in the level of sales of very low-priced Scorch whisky brands in the continental EEC markets. We are aware of the opportunities presented in this area but remain determined that these should only be exploited where they will show satisfactory profitability and where they can be met by products of the strict quality standards which are the basis of the longer-term success of our brands, and indeed of the industry.

Extracts from the statement by the Chairman, Mr. J. R. Cater, circulated with the Report and Accounts for the year ended 31st March, 1980.

#### Home sales

The inevitable consequence of the action we took in December 1977, following the EEC Commission's ruling, was a very sharp decline in our market share in the year ended 31st March 1979. The loss of a substantial volume of sales opened the door for a number of our competitors' brands to strengthen their position. The rate of decline was greatly reduced in the twelve months under review, although we have not matched the performance of the industry. The market remained a difficult one for our two major brands, Haig and White Horse, although the former attained sales well in excess of a million cases. Our policy remains one of maintaining a substantial presence in the UK while earning a satisfactory level of profit. Our two new brands, John Barr and The Buchanan Blend, continued to make some progress and the lower priced brand, The Claymore, again achieved a very significant increase in

The figures published by HM Customs and Excise show that the industry's sales for the twelve months ended 31st March 1980 were marginally higher, by 1.7%, but the level achieved was inflated by buying in anticipation of the March Budger. That Budger imposed a substantial increase in excise dury on spirits relatively harsher than that applied to imported wine and moreover no concession was made in regard to a period of credit for the payment of duty. It is both disappointing and discouraging that the industry continues to be treated less favourably than other alcoholic beverage producers.

#### Export sales

Industry shipments of blended Scotch whisky increased during the year by 5.5% and were at a level of 97 million proof gallons. Shipments of bulk malt whisky moved ahead dramatically with an increase of 21% and reached the high level of 10.3 million proof gallons. We remain firm in our belief that the export of bulk malt whisky is damaging to the long-term interests of the Scotch whisky industry and we continue to take no part in this sector of the business. We are nevertheless concerned that the continuation and proliferation of this trade, actively encouraged in a number of important markets where Governments have raised tariff barriers on imports to

The volume of Group exports of blended Scotch whisky resumed its upward trend but again fell slightly short of the industry's increase in percentage terms. The strike in the crucial autumn period certainly caused some irrecoverable loss of sales to direct indent customers but in the main our distributors did not run out of stocks and our brands remained available to the consumer during the Christmas season. A factor that must be considered in examining this further marginal loss in market share is the growing volume of sales of very low-priced brands exclusively in the hands of our competitors.

Your Company's shipments to the United States were slightly down. However, our market share increased. Following the price increase of 12% in January 1979, the strength of sterling visa-vis the dollar led us to make a further increase in the price of bottled-in-Scotland brands, which are invoiced in dollars. This was essential to the preservation of even modest profit margins in this important market. The further increases in prices, introduced in February of this year, have made Scotch whisky still more expensive to the consumer than North American spirits and the prospects for growth are not encouraging as the US recession bites more deeply. We are nevertheless strongly placed with Dewar's White Label and Walker's Red and Black Labels in the UK-bottled sector, and with Vat 69 Gold and Usher's Green Stripe in

the domestically bottled area.

In other markets John Walker & Sons had a very successful year with its Red and Black Label brands. maintaining its position as the world's largest seller of Scotch whisky. Macdonald Greenlees also had a particularly good year and its de luxe brand, Old Parr, continued to prosper and expand in a number of important markets. The Group's other main brands, each with individual appeal in various countries, continued generally to sell well.

The developing markets of Latin America showed most progress. After a disappointing first six months our trade with Venezuela held up well and good increases in sales were achieved in Mexico and in a number of South American countries. In most of the African markets our trade was satisfactory although our endeavours in South Africa were hampered by import restrictions which were not eased until January. White Horse consolidated its premier position in the expanding Japanese market, in which Walker's brands and Old Parr also command

35.4

33.97p

9.75p

39.0

39.84p

10.75p

Dividends

Earnings per share

Dividends per share

strong sales, but distributors' marketing support their large grain spirit interests, arrangements tended to be disrupted by is severely restricting the potential parallel imports. In Australia sales have for blended Scotch whisky. **SUMMARY OF RESULTS** for year ended 31st March 1980 1979 £million £million 940.2 1,010.1 Turnover-180.1 193.9 Group profit before tax Profit after tax & 144.7 123.3 minority interests 3.6 (3.3)**Extraordinary items** 148.3 120.0 Surplus for the year

not yet fully recovered from the 83% tax increase imposed in August 1978 but Johnnie Walker continued to

## Gin

The new distillation complex at Wandsworth Distillery has been completed after delays caused by slow delivery of plant and adverse weather conditions. This additional facility for the production of grain spirit is being commissioned.

The absence of industrial disputes enabled the UK production of gin to be maintained ar full capacity and output reached a record level. This high degree of activity was to some extent due to the need to replenish stock shortages, particularly in export markets, caused by labour problems last year, and world sales of Group brands of UK-produced gin showed a good increase.

In the home marker, sales of Booth's and Gordon's began the year slowly but, with buying ahead of the Budget in June 1979 and again in March 1980, Gordon's achieved another record. In spite of an increasingly competitive market scene, it became necessary to raise the price of our brands of gin in July 1979 and again. in February this year, to maintain profitability in the face of rising costs.

Exports of Group brands of gin from the UK during the year exceeded last year's record level but were inflated to some extent because distributors were rebuilding their depleted stocks following the industrial disputes of the previous year. Sales of Gordon's gin to the continental EEC markets in general, and to West Germany, Belgium and France in particular, did well, Group shipments to the West African territories and to Central and South America improved considerably. Tanqueray gin in the USA maintained a satisfactory rate of growth but, although future prospects remain encouraging, the prevailing recessionary conditions in that market are likely to limit further expansion in the short

Sales of Gordon's gin produced in the USA improved, steadily but Booth's High & Dry, also manufactured there, failed to maintain earlier momentum. In the other markets in which our brands are produced locally, Gordon's remained strong in Spain and made progress in Venezuela and in the Caribbean Economic Community.

#### Vodka

Following the problems caused by the industrial disputes, the year started with a period of rebuilding reserves of Cossack for the future, and of restocking our customers. Sales in the home marker, particularly in Northern Ireland, were higher.

In the USA sales of Gordon's vodka advanced quite

## Other potable products

Cognac Hine again enjoyed an excellent year and achieved material increases, not only in sales volume and value, but also in overall probtability.

Fairly severe measures had to be initiated in Australia to achieve further economies. These involved the structural reorganisation of United Distillers Proprietary, which makes Australian whisky, gin and vodka, and Tolley, Scott & Tolley, makers of Australian brandy and wine. Both companies showed losses: The new measures are intended to achieve increased efficiency and to restore profitability.

## Food group

The Yeast and Food Division made further progress as a major supplier of an expanding range of food products to the UK catering and baking industries and to other food manutacturers. Despite escalating costs and very competitive trading conditions sales volumes rose, assisted by the growth of the frozen food business on

a national scale. Margins were generally maintained and an increase in overall profit was achieved.

The Peerless Retining Company had a very difficult and disappointing year. Output was restricted by production and labour problems during the first half and the improvement expected in the second six months did not materialise because of a fall in demand for oils and fats. These factors resulted in the first trading loss in the company's history.

# Carbon dioxide

Sales of both carbon dioxide and engineering equipment were well maintained. Costs rose more rapidly than prices with the result that profits were slightly down.

## United Glass

After an encouraging start to the company's current year, demand for its products slumped in the second quarter, and it has been necessary to cut back production and reduce employment in most areas of the company.

# Personnel

I have referred elsewhere to the problems we faced because of industrial action at many of our plants in Scotland and I would be less than frank were I not to record the Board's disappointment in that regard. Nevertheless nothing should detract from the Board's recognition of the dedication, the commitment and the loyalty shown throughout the year by the majority of the Group's employees, to whom sincere thanks are due.

## **Future** prospects

Sales of Scorch whisky and gin have shown a not unexpected weakness in the first three months of the current financial year. Stock levels in most world markets were, at the outset, high and the general recessionary influence of high interest rates and pressure on disposable incomes has inevitably encouraged a policy of de-stocking. The strength of sterling, as opposed to its relative weakness in the 1974/75 recession, must also militate against the probability of any rapid recovery in levels of sales. The current year cannot therefore be viewed as one of great promise and the accuracy of forecasting must be threatened by the play of many factors over which industry has little control. At this early stage, and recognising that the need may arise to review the position, I believe that there will be no more than a modest improvement on last year's results.

The Distillers Company Limited

The One Hundred and Third Annual General Meeting of The Distillers Company Limited will be held at the North British Hotel, Edinburgh, on Thursday, the 18th day of September, 1980, at 12.15 p.m.

# Royal Dutch/Shell shows Saville Gordon ahead underlying advance

pared with £710m last time, normally giving a figure of £1.4bn for the September. first half of 1980 — an increase of £70m over the same period of the previous year.

Adjusting for the effects of the FIFO inventory accounting method and the impact of cur-rency translation and conversion gains, net income for the second quarter was some 18 per cent higher than in the correspond-

ing quarter of 1979.

The increase in underlying earnings was mainly the result of the contribution from oil and gas production operations, offset business outside North America.

Reported net income for the second quarter and first half over last year's corresponding to the second quarter and first half second quarter and first half over last year's corresponding to the second to the second to the second quarter and first half over last year's corresponding to the second to the s in the earnings of the chemical

plies with current revenues. This compares with some £280m in the second quarter of 1979 and £415m in last year's first

half. Net income for the last full vear totalled £3.05bn. Shell dividends amounted to 19.812p (adjusted 8.768p), which dividends amounted to 18.01-p (adjusted 8.768p), which earnings of the oil products succeeding included a special 1.054p on the also showed an improvement over the corresponding period included a special Lopep on the final settlement of overspill over the relief. Holders also received last year.

Set year 29.337p, being Mainly their entitlement deferred due market conditions for oil pro-to dividend restraint. Royal ducts and chemicals, second

In his last annual statement

the chairman warned that short-term profitability would be affected by the company's large

investments in advertising, new

This programme, he now says,

is placing the company in a

Turnover was up 14 per cent and we have been able to main-tain full-time working through-

"We are at present short of certain products, which new

coming on to stream

with good

the current

year,"says

challenging year Market conditions-

However, we are not an easily beaten

Group and during the year, we made

mainly overseas - have been the

changes to adapt to new market

place needs and meet our inter-

those of the first half. The current

sets is 90% greater than

12 MONTHS

TO APRIL 27th 1980

£24.240.694

£ 1,298,378

\*4·125p

systems, electrical contracting, plant hire, computer peripherals, heating contracting.

Copies of the annual report will be available from the Company Secretary.

Dale Group-Generating sets, aerospace ground power equipment alternators, D.C. power

last years at Week 14.

The first rewards of those changes

The second half profits were double

year's sales intake of Dale generating

TURNOVER

PROFIT (Pre-Tax)

\*Total for the veer

DIVIDEND (per share)

national competition head on.

can now be seen.

most difficult for a decade.

prospects for

strong position for the future.

plant and new products.

Needlers downturn to

Taxable profits of confectionery manufacturer Needlers more profitable than the first half, and we are confident that

dropped from £165,268 to £70,014 this trend will continue—despite a £489,607 rise in turnal though we shall not reach the over to £3,24m.

dropped from £165,268 to £70,014 this trend will continue—although we shall not reach the 1979 profit figure this year."

rong position for the future. There is again no interim
"Our policies," he adds, dividend. For the whole of last
have enabled us to increase year shareholders received a

"have enabled us to increase year shareholders received a our market share during a period payment of 2.5p net from pre-tax in which the industry has profits of £321,000.

£70,000 at halfway

Sales taxes, levies ... Interest income ....... Depreciation atc.

1980 includes respectively, some period to a level of £1.33bn £150m and £470m attributable to (£0.98bn). This, together with the FIFO method, rather than a an increase in working capital method which matches more requirements of some £900m, closely the current cost of supresources.

Second quarter earnings of Shell Oil Company of the U.S. increased 47 per cent to U.S.\$407m, with the advance mainly the result of the strong performance of its exploration

due to improved

The pre-tax figure for the 25

weeks includes a contribution from Dickson, Orde and Co. which was acquired last April.

After tax of £12,300 (£297) attributable profit showed a fall from £164.971 to £57,814.

Earnings per 25p share are shown as 2.6p, against 8p.

JOS HOLDINGS

have read £191 to £296.

"An improving picture

Leonard H.Dale, MBE.

"Dale Group has had a tough, Our new products—the Dale 8000

Summary of results

Dale Electric International Ltd., Electricity Buildings, Filey.

North Yorkshire YO14 9PJ. Tel: Scarborough (0723) 514141. Telex 52163.

generating set system, the Houchin

"Cadet" alternator-are all doing well.

The new Leeds factory, designed to

enable Dale to upmarket into high

voltage generating sets, comes on

Despite a generally disappointing

and profits is good. I have no

year, the forward view of both sales

hesitation in recommending that the

12 MONTHS

TO APPIL 29th 1979

£25,105,000

£ 3,314,000

\*4·125p

stream in October.

dividend is held."

6 MONTHS

TO OCTOBER 28th 1979

434,000

1.4p

£11,101,000

Fixed System and the Convers

SECOND QUARTER net income Dutch payments were raised to quarter earnings of Shell Canada DESPITE being seriously of the Royal Dutch/Shell Group Fl 12.25 (Fl 10.75). jumped 53 per cent to C892m. affected by the engineering of Companies was £680m, com
The interim dividends are Outside North America, oil strike in the early months and and gas operations continued to the steelworkers' dispute in the benefit from rising prices. Sales closing months, J. Saville volumes of natural gas decreased by 9 per cent, while oil products profits from £1.45m to £1.61m in sales fell 7 per cent, reflecting the year to April 30, 1980. the continued general fall in But the effects of this

industry demand. the higher unit costs resulting from the lower volume of oil

products sales.

However, with the continued slackening of demand and the crude oil cost advantage of some major competitors with access to Saudi Arabian crude oil, margins may be difficult to maintain. Chemicals results fell sharply.

in line with the downturn of the economy. Selling prices came under increasing pressure as sales volumes dropped substansales volumes dropped substantially leading to lower plant loadings.

Crude oil supply in the first half of 1980 was 3.94m (4.6m) barrels daily, and crude oil processed 3.89m (4.17m) barrels

daily. Chemical sales proceeds totalled £1.74bn for the first half, compared with £1.51bn in the corresponding period of 1979.

Lex Back Page

#### Interim passed by Westwood Dawes

Structural and mechanical handling engineer: Westwood Dawes and Co, has suffered a setback in the first half of 1980. And with little chance of an early improvement in conditions the directors feel there is no justification in declaring an interim dividend.

In the half year turnover rose from £1.16m to £1.36m. But tighter margins and ri ing costs cut the profit from \$65,183 to £35,901, so the "reasonable half year" anticipated in February did not materialise. During the steel strike there were no orders from British Steel Corporation. which has long been a major customer.

After tax of £18,669 (£33,895), net profit is shown at £17,232 (£31,288) for earnings of 1.37p In yesterday's year-end report (2.48p) per share. In the year 1979 the company paid a total dividend of 2.5p (including an interim of 1p) from pre-tax profits of £122,000. tently stated that the company's bank interest charges rose from £191,000 to £296,000. This should

# despite two strikes

But the effects of this long period of industrial strife are Group companies have, in the shown in the results of the main, recovered the increases in metal trading and scrap processcrude oil acquisition costs and ing division, where the surplus the higher unit costs resulting fell from £705,000 to £439,000 from the lower volume of oil because of lack of demand and ever narrowing profit margins. states Mr. John D. Saville,

chairman. On the pipeline equipment and engineers merchants side, though, profits rose from £745,000 to £1.17m, an increase of 73 ner cent. At midway, group profits before tax were up at £723,000

The dividend is raised from 2.44p to 2.928p net with a final of 2.403p and a one-for-five scrip issue is planned.

Turnover went ahead to £26.99m (£21.14m) and net earnings. after tax of £383,000 (£239.000) were £1.22m (£1.21m). daily.

Total oil sales were 4.61m
barrels, against 5.43m barrels climate of recession which last time, while natural gas sales appears to have deepened in recent months, says Mr. Saville. or 12.1p (12p) per share.

The current year started in a While he admits that demand in most sectors is lower than it

**BOARD MEETINGS** The following companies have notified

dates of Board meetings to the Stock exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY
Interime: At Industrial Products,
Alliance Trust, Benford Concrete
Machinery, Pentland Industries, Ward Holdings. Finals: K.O. Boardman International,

Guinness Peat ... ...... Sept. 11

be a very good year is confined to 11 per cent despite the 57 per cent upturn in the now dominant engineers merchanting business. Another unwelcome by-product of the dispute was a high year end stock position and an over-draft which had risen by well over flm to about £3m. Successful attempts have since been made to cut inventories to more normal levels but the group is mors! sectors is lower than it was at this stage last year. he feels it is too early to make a magningful profit forecast.

Comment

J. Saville Gordon is possibly not worrying overmuch that, as a result of the steel dispute, the contribution from the metal section of the steel dispute, the contribution from the metal section. Merchanting sales have been holding up reasonably well sections.

that customer de-stocking has probably been pursued to the limit. The shares climbed 2p yesterday to 37p where the yield looks reasonably attractive at 12.1 per cent. The fully taxed p/e of 4.6, however, may still he rating the group solely as a scrap processor.

# Gelfer slows in second half

DESPITE slowing down in the second half, during which pre-tax profits were £522,856 (£515,044) A. and J. Gelfer, tie and headwear manufacturer. increased its figures from £858,949 to £932,298 for the full year to March 31, 1980. Turnover was higher at £5.23m compared with £4.7m.

After tax, up from £292,722 to £455,757, stated earnings per 20p share are 0.0729p (0.0906p) and the final dividend is raised fractionally from 2.1p to 2.2p for a total of 3.7p net (3.5p). Tax charged was higher this time due to the absence of tax relief—last year relief reduced tax by £150,900.

#### POLLY PECK

Acceptances have been received in respect of 92.2 per cent of the 2.1m new ordinary shares of Polly Peck (Holdings) offered by way of a rights issue last month. The balance, 162,606 shares, has been sold in

# Pullman profit reaches £2.3m Taxable profits of clothing activities are under review.

manufacturer and retailer R. & J. Pullman advanced to a record £2.31m in the 12 months to April 30 last-a rise of over 50 per cent, compared with the raw materials were acquired. f1.53m surplus for the previous

13 months. Sales, which rose from £19.3m to £24m during the period, were

also a record. At the mid-year stage pre-tax profits were ahead by £202,000 at £710,000 and the Board predicted satisfactory results for the year as a whole.

Attributable profit for the 12 months was £1.82m (£1.31m) after tax of £283,000 (£225,000). A final dividend of 3.97p, makes a total of 5.44p gross for the year, compared with the equivalent of 4.52p for 13 months after allowing for the six for five scrip issue.
The dividend is covered 2.3

times by earnings.

Earnings per 5p share are shown as 13p (8.86p).

The Board says that during the year the group profited from its specialisation in certain areas its specialisation in certain areas of manufacture and retailing, such as furs and leathers and children's wear.
In spite of the strength of the pound, exports held up well at £4.4m, against £4.2m for the previous 13 months.

Advantage was taken during the year of the sharp fall in leather and fur prices, and substantial stocks of garments and

After a slow start to the current year, trade picked up during July and August and the company is hopeful of a satisfactory six months to the end

#### comment Adding back the rationalisation

costs in the corduroy division, Pullman has produced profits slightly above expectations. Corduroy used to be a moneyspinner but foreign competition has pushed it into loss and complete closure of the operation looks possible. Elsewhere, how-ever, Pullman continues to expand. The Ronald Joyce acquisition chipped in around £600,000 and the group believes that its balance sheet will support further purchases this year. The shift towards retailing which represented around 30 per cent of group business last year, seems soundly based in the long term given the incursions that foreign competitors will con-tinue to make on the manufac-turing side. After a period of stagnation in the mid-1970's, But it has not been possible Pullman has regained its to withstand the competitive momentum and the p/e of 5.7 on pressures from cheap corduroy imports and this activity has account of its recent trading and been severely curtailed, the Board adds. The remaining general weaving and dyeing almost 13 per cent.

# contribution from the metal bear holding up reasonably well last month. The balance, trading and scrap processing division has fallen well below 50 per cent. The change in emphasis looks irreversible. The strike, however, did mean that the growth in what was going to the metal bear holding up reasonably well last month. The balance, 162,606 shares, has been sold in the market and the net proceeds distributed to shareholders who did not exercise their rights. The strike, however, did mean that turn in the stocking cycle; interted to share the proceeds of the market and the net proceeds distributed to shareholders who industry is anywhere near the strike, however, did mean that turn in the stocking cycle; interted by way of a right statement. The balance, the market and the net proceeds distributed to shareholders who did not exercise their rights issue raised £1.56m for the company. cuts dividend

# Scottish & Newcastle confident of making hotels successful

BY RAY PERMAN, SCOTTISH CORRESPONDENT well the general recession in the 1980: Turnover was up over 60

AFTER CRITICISM from some shareholders, the annual meeting of Scottish and Newcastle . . . . of Scottish and Newcastle of Scottish and Newcastle Breweries yesterday endorsed the and July.

This was the general experiment of the brewing industry and EMI's hotels and restaurants for

Mr. Peter Balfour, the chairman, said the move was designed to reduce the group's dependance on the increasingly competitive wholesale beer market. The sale had been approved by the Office of Fair Trading and should go ahead without difficul-

The purchase would make Scottish and Newcastle the third largest hotel operator in Britain, with considerable strength in the important London market. In answer to criticism of the group's previous unsuccessful attempts at diversification and the poor performance of its existhotels company, he said that Scottish and Newcastle new had

the experience in management and marketing to make a success With its strong marketing organisation it would be able to im-prove substantially on EMI's

room occupancy rate.
Some shareholders were, however, unhappy about the group moving away from brewing and thought that more attention should be paid to the marketing of beer. One commented that the proposal to finance the purchase by borrowing meant that £4m a year would have to be earned by the EMI hotels before there could be any profit.

ence of the brewing industry and there was no reason to believe that Scottish and Newcastle was

economy and the poor summer

iosing market share. First Scottish

# American Trust Pre-tax revenue of First Scot-

tish American Trust Company jumped from £\$14,248 to £1.05m in the half-year to August I. Tax was up from £270,150 to £354,416. leaving net revenue at

£696,577 compared with £544,098. Stated carnings per lap share are 2.21p (1.82p), and the net asset value per share is 136.1p (117.1p). The interim dividend is fractionally higher at 1.3p (1.2p)— last year's total was 4.3p from pre-tax revenue of £1.99m.

# DRG (SA) improves

Despite a very competitive market. DRG (SA), the South African ilexible packaging, plastics and stationery concern which is 70 per cent owned by the UK based Dickinson Robin-

per cent to R45.1m. With second - half normally better than those of the first six months, the board estimates that full year profits will be more than twice those for the half year. Last year's total figure was R7.6m.

has been recommended from first-half earnings per share of

#### **Broadstone** revenue up in first half After tax and preference divi-

came out higher at £473,025 for the first half of 1980, compared with £421,488, out of which the interim dividend, up from 2p to 2.2p net per 20p share, will absorb £300,420 against £273.109.

(£278.714) and preference dividends cost £20,125.

Taking invertments at market value total net assets were £22.14m as at June 30, compared with £20.714m. with £29.21m, and given as 2.8.4p (197p) per share—com-In a statement on trading in son Group, improved pre-lax parative figure included 6.7p in the current year. Mr. Balfour profits from R3.1m to R4.4m for respect of the full investment said that although it had started the six months to end June, currency premium.

# Reliance Knitwear

second six months ended April 230, 1980, Reliance Knitwear Group, garment manufacturer, is cutting its final dividend formula to 150. cutting its final dividend from 2.149p to 1.56p net, making a reduced total of 3.1p per share, compared with 3.689p previously. The directors comment that

present order books are satisfac-tory, although margins are under severe pressure. First-half profits had fallen from £350,000 to £228,000, but reflecting the second-half improvement, the full year's pre-tax result was ahead at £573,321, against £530,884. Turnover for

the year increased from £15.67m An interim dividend of 9 cents to £17.91m.

as been recommended from Stated yearly earnings per 20p share rose from 5.66p to 6.46p. The tax charge was down from £143,594 to £99,000. Extraordinary debits increased from £270.240.
£112.818 to £195.743 and arose. The di
from the closure of Cynat Products and the reorganisation of Barralan. Dividends absorb £227.649 (£270,902).

## comment

yesterday to 25p. The cut has nothing to do with current trading but reflects the board's feeling that the dividend rate had outgrown earnings progress. osorb £300,420 against £273.109. Even the cut dividend is covered Last year's total dividend of less than twice. The 8 per cent 7.35p included a mus.

7.35p included a mus.

2.35p included a mus. wear and camping equipment markets collapsed the company preferred to cut its losses. chastened it is diversifying into industrial clothing in another attempt to become less depenon the retail clothing market. Borrowings were up slightly at the year end to 44

# Record year for Herrburger

seen at midway, when pre-tax profits rose by £66,571 to £151,755, Herrburger Brooks, manufacturer of piano actions, keys and hammers, added another £246,189 in the second half, finishing the year to May 31, 1980, with a record surplus of £397,944, compared with

The directors warn that the improved results do not imply a comparable increase in earnings for the current year. They recognise that a period of recession is being entered, with inflation continuing at a high After tax and preference dividends, revenue available of Broadstone Investment Trust came out higher at \$473.025 for same out higher at \$473.025 for level of cash retention was required to support the operat-ing capability of the business over this difficult period.

But they add that their aim is to give shareholders a fair share of the earnings in so far as the future funding require-ments of the company permit. and intend to increase the annual dividend from 2.1p to 2.52p net.
Should trading conditions improve, they will consider the possibility of interim dividends. introducing

Turnover of the company which is ultimately held b Kimball International Inc. o Indiana, U.S., went ahead from £4.91m to £5.6m. Attributable profits, after

tax charge of £40,141 against a credit last year of £16,512. finished well up at £357,803 per cent of shareholders' funds. (£386,752). Earnings are shown but they have fallen a bit since to have risen from 21,95p to then. The immediate outlook is 27.39p per 25p share.

# Northern Offshore is latest victim of submersibles slump

BY WILLIAM HALL, SHIPPING CORRESPONDENT

LIOUIDATORS have been called interest in 22 vessels and 1979. Shareholder and bank su The company, which was estab-Pinto has 75 shareholders includ-ing North Sea Assets, Hogg Robinson and John Swire and

Mr. Guy Parsons and Mr. Richard Agutter, partners in Peat, Marwick, Mitchell and Company, were yesterday appointed joint liquidators. They said they were actively pursuing the orderly realisation of the group's assets. Northern Offshore's collapse is

ticated engineering field.

Over the last couple of years. Fred Olsen Oceanics of Norway has slimmed down its fleet and both P & O and Vickers Oceanics have sold off their loss-making fleets of mother ships and semi-

founder investors in America's Banking, part of Marine Midland mini submarines and was the Bank, provided support.

Spanish supply boat operator, crash, and the s After that projects came thick market turned down. and fast and the company finan-ced uself with a mixture of bank tax profit of \$0.9m but the com-

Northern Offshore Limited, acquired a 60 per cent stake in the biggest operator of mini- a small company called InterSub-submarines in the North Sca. which owned three submersible "spreads" which consisted of a lished in 1973 in the British mother ship and mini-submarine.

Virgin islands by Mr. Maurice Al its peak the company At its peak the company employed over 500 people. NOL believed that this husiness, which was headed by a brilliant
Frenchman. Jean Francois
Durand, was a major growth
market and ordered another two Northern Offshore went back

its shareholders for more funds to finance the expansion but they were starting to get uneasy about the pace of the the latest in a growing list of company's growth and not all casualties in this highly sophis of them subscribed additional capital. The supply and tug boat

market was sliding into a serious recession, because of overcapacity, so the company decided to withdraw from this sector and

concentrate on its submersible submersibles.
Northern Offshore (NOL) was set up by Mr. Pioto, one of the set up by Mr. Pioto. operations. But this simply made By 1978 Northern Offshore, Sea Containers Group, and which operated out of Aberdeen Burnham (International), an and Stavangar (Norway), had arm of the U.S. brokerage firm. built up a fleet of 7 support In addition, International Marine vessels, 5 mother ships and 11

acknowledged market leader Initially, the company pros- both in terms of size and techpered. It participated in a joint noingy. But the company sufventure with two Norwegian fered two serious blows in that supply boat operators and shortly year. M. Durand, who had afterwards took a 25 per cent masterminded the growth of Hispanoffshore, a InterSub, was killed in an aircrash, and the submersible

port was quickly evaporating. As recently as early last year o \$20m medium-term loan le by First International Bar shares had been oversubscribe But when the group ran infinancial difficulties late la year the shareholders and the banks were not prepared to pr vide additional finance. NOL defaulted on payments interest and principal relation to several of its borrowings are

in May, 1980 the submersib operations and related activitie a substantial part of its overs operations, were terminated.

The collapse of InterSu proved to be the final straw and the liquidators have now bee called in. The five mother ship and their minimum terminates. and their mini-submarines ar laid-up in Dundee and Gibralla

A number of the support vessels have already been sold. Meanwhile. the Northern Explorer, which is less than a year old, is still operating for Occidental and another sophisticated cated vessel, the Northern Installer, is operating in the Frigg Field on charter to Elf Aquitaine Norge AS. Both will be sold off, presumably to foreign interests.

One of Northern Offshore's shareholders last night blamed the group's demise on the National Enterprise Board's decision to help establish British Underwater Engineering (BUE) from the remnants of Vickers Oceanics, which only exacerbated the overcapacity in the sub-

However, in common with the other casualties in the North Sea service market, Northern Offborrowings and frequent equity bination of a depressed market shore's biggest failing was that calls on its shareholders.

By 1975 it had built up an produced a net loss of \$5.5m in to grow too fast too quickly.

# BANK RETURN

RANKING	DEPARTMEN	m.
	DET WILLIAM	1 .
Liabilities	. 2	- <u>À</u>
CapitalPublic Deposits	14,553,000	· ÷ :
Special Deposits	32,415,159	+ 8,332
Bankers Deposits	678,539,314	+ 257,902,459
Reserve & other Accounts	645,163,455	_ 19,776,134
i-		<del></del>
i	1,370,670,928	+ 238,134,657
· .	· · · · · · · · · · · · · · · · · · ·	
ASSETS	· t	
Government Securities	672,859,064	<b>— 62,200,000</b>
remises Equipment & Other Secs.	472,939,080 301,924,445	+ 152,071,079
Notes	22,641,702	+ 142,166,217 + 6,099,065
30in	306,637	+ 5,052,065 - 1,704
Į-		
ļ	1,370,670,928	+ 238,134,667
r	<del></del>	<del></del>
	•	-
ISSITE T	EPARTMENT	
	THE THE PART OF TH	
iabilitles	£ _ !	₽
totes lasued		_ ,
In Circulation	10,300,000,000	+ 25,000,000
III Daniung Debartment	10,277,358,298 22,641,702	+ 18,900,935
	46,041,102	+ 6,099,065
Sovernment Debt.	11,015,100	

8,448,411,476 1,840,573,424

10,300,000,00

# DUDLEY

Metropolitan Borough

Floating Rate Stock 1982 for the six months from 22nd August, 1980 to 22nd February, 1981 the interest rate on the above stock will be \$17,0000% per annum.

Morgan Grenfell & Co. Limited

Metropolitan Borough Floating Rate Stock 1982 for the six months from

OLDHAM

22nd August, 1980 to 22nd February, 1981 the interest rate on the above stock will be £17.0000%-per annum idorgan Grenfell & Co. Limited

 $\gamma_{\rm off, the}.$ 

Express (

#### MINING NEWS

# New projects in Colorado

BY GEORGE MILLING-STANLEY

TWO MORE U.S. companies The existence of the committee does not absolve the company with natural resources development projects in the state of Colorado are to follow the example set by Amax, and take part in the state's radical approach to granting companies planning permission, the Colorado Review Process (CRP). from securing the host of environmental permits it needs before it can proceed with mineral development, but it does at least ensure that the same work does not have to be repeated several times over by the company in order to satisfy the differing re-The companies concerned are Rio Blanco Oil Shale, a partner-ship between Gulf Oil and Stan-

quirements of the various gov-ernmental bodies. Adard Oil of Indiana, and Multi-Mineral Corporation, a subsidiary of the Florida-based Charter Oil.

In an effort to streamline the exploitation of the state's abundant natural resources, while at the same time maintaining the contains of the environment the Amax agreed to he the guinea pig for the CRP in order to obtain permission to develop a molybdenum deposit at Mount

Mr. Gary Fisher, director of the CRP, said yesterday that the quality of the environment, the two new projects are both in the Piceauce Basin in Colorado's Rio Blanco County. Colorado Department of Natural Resources set up what it called the Colorado Joint Review Pro-

Rio Blanco holds a lease on cess for Major Energy and Min-pheral Resource Development Pro-rujects, now known as the CRP. In The CRP is a kind of per-personnel planning committee the committee of the co underground mining project for nahcolite. This substance is a form of sodium bicarbonate existing naturally throughout oil shale deposits and manent planning committee, grouping the various interests of the three levels of govern-ment—federal state and country shale deposits, and is used as a scrubbing agent in coal-fired power stations. If this project goes ahead, it will be the first naheolite mine in the U.S.

# Gold and Base reaches settlement with Nigeria

THE SALE of 60 per cent of the equity in Gold and Base Metal Mines of Nigeria to Nigerians has finally been agreed after pro-tracted negotiations between the Nigerian Government and the company's parent, the London-1715 erod boid and base M. al

in a committee which also includes representatives of the

Mines. Mines.

Since last October, the London company has been trying to obtain an increase on the Naira 1 (79p) per Naira 2 share price approved by the Nigerian Securities and Exchange Commission This values the subsidiary at Naira 700.000 (around £550.000) which Gold and Rase save is far

which Gold and Base says is far below the true and fair value. Efforts to have the offer increased culminated in a submis-sion to the Nigerian Finance Minister in May of this year, and he has now ruled that the Naira 1 price should stand. Gold and

Base feels that it has exhausted all the avenues open to it, and has therefore accepted.

The agreement also clears the way for the Nigerian Mining Corporation to incorporate Riri-

, SPAIN	•		
August 21	Price		
August 21	%	+01-	
F Ranco Rilbao	228	+2	
Banco Central	253	+2	
_Banco Exterior	212		
Banco Exterior	231	+3	
_Banco Ind. Cat	120		
Banco Madrid	141		•
Banco Madrid	278	+2	
Banco Urquijo	139		
· Banco Vizcava	240	+2	
Banco Zaragoza	215		
Dragados	102	-1	•
Espanola Zinc	67	+1	
Fecse	63.5 .		
Gal. Preciados	25.5	+0.5	
Hidrola	69.2		
Iberduero	. 65	+1.8	
. Antrologs	113	+1	
Petroliher	. 87		
-Sogatisa	107		
Telefonica	62	÷0.5	
Upion Elect	67.5	-0.5	- 1

RENVICKS
The Renwick Group Limited

**Profits** 

maintained

Profit available for distribution

Mr. C.W. Wilton, to Shareholders.

conditions in second half year.

after deducting Goodwill.

Dividend increased to 3½p for year.

Extracts from Statement by the Chairman,

Profits maintained despite difficult trading

Shareholders' funds increased by almost 28%

Copies of the Annual Report and Accounts

are obtainable from the Secretary,

The Renwick Group Ltd., Renwick House, Brixham Road, Paignton, Devon TQ4 7BN.

M. J. H. Nightingale & Co. Limited

† Accounts prepared under provisions of SSAP 15.

Ordinary dividends for year

Earnings per ordinary share

Turnover up by 18%.

27/28 Lovat Lane London EC3R 8EB

High Low Company
99 52 Airaprung ......
50 22 Armitage and Rhodes...
167 924 Berdon Hill

Jackson Group James Burrough

Robert Jenkins ...... Torday Twinlock Ord ..... Twinlock 15% U.S ...

Unilock Holdings ..... Unilock Holdings New Water Alexander .....

Group turnover

Profit before tax

underground development. Ririwai is to work the Liruie zinc and tin deposit in the country.

The development of the
L'ruic deposit will have the
effect of releasing "substantial
monies" to the Nigerian subsidiary, Gold and Base said. This
should enable it to pay the out. should enable it to pay the out-standing dividends due to the parent. These sums will also be subject to Nigerian exchange

# Malaysiam Tin

lifts dividend THE SMALL London-registered Malayslam Tin is to lift the dividend for the year to March 31 to 40 a share from last year's 3.25p on the back of higher

This means that, subject to income boosted the company's and include an option on an Nigerian exchange control net profit to £54,067 from exclusive manufacturing licence approval, the sum of Naira £38,405, giving earnings of 9.08p for such systems in the UK.

420,000 will be remitted to the a share compared with 6.45p last Under the agreement CECO

Malaysiam Tin has lodged appeals with the Government of design future variants of cold Malaysia for the renewal of its gas systems for new applications mining leases. The company is in the licensed territories. Work receiving tribute payments from is already under way between the the concerns which are mining two companies to apply this in the areas, but operations are being carried out on a reduced depletion of reserves.

The company expects a sharp

FULCRUM INVESTMENT TRUST LIMITED Net asset value (unaudited)

as at 31st July 1980 Income shares: 41.26p Capital shares: 3.04p

1979

£'000

55.421

1,567

1,194

18.3p

Telephone 01-621 1212

% 12.9 17.5.8 20.7 5.2 6.3 15.9 18.3 7 2 6.4 10 4 6 9

17.6 6.3 6.3 5.8 4.9

P/E 3.1t 1.4t 5.3t 10.5 3.9t 3.2t --1 3.2t

3.7† —† 7.4 7.4 5.5 4.0†

Div (p) 6.7 3.8 9.7 15.3 5.0 7.9 11.0 16.5 6.0 7.9 31.3

30

£'000

65,903

1,604

1,434

3%p

15.1p

#### **BIDS AND DEALS**

# GUS taking on Myers' business

GREAT UNIVERSAL STORES, mined until early next year, the largest mail order operator together with proceeds from the the largest mail order operator in the UK, is to acquire all 170,000 agents and debt together with certain trading names of John Myers, the mail order subsidiary of UDS Group.

Mr. Harold Bowman, a GUS Mr. Harold Bowings, a GUS director, said yesterday that UDS had approached his group over a month ago about the deal which he described as "fitting very well with our existing mail order business."

The acquisition will take effect from January 5, 1981. In the last accounts, Mr. Bernard Lyons, chairman of UDS, which operates Richard Shops, John Collier, Alexandre and Aliders department stores,

said that for the past three years only modest profits had been expected from Myers. While Myers sales had increased 18.5 per cent in the financial year ending February 2, 1980 "the high level of investment in agency growth has by design meant that for the past three years only modest profits have been expected. The results for the year fell short of target and we are now looking for an

improved return as costs level Yesterday UDS indicated that sales at Myers had been running at £40m, although they had been loss-making. "For Myers to achieve the sales necessary to reach a satisfactory return on capital would involve additional

disposal of other assets, "will be utilised more profitably in the expansion of other group businesses." UPS added that any benefits "will be reflected in the year commencing February.

The deal is understood to have

The deal is understood to have received clearance from the Office of Fair Trading.

UDS acquired John Myers in a £10.5m share and cash deal in 1971. In March, 1970 UDS had acquired a 34 per cent stake in the Myers equity which it gained as a result of selling to Myers its own mail order business.

John Myers will continue to

John Myers will continue to service the current autumn winter catalogue, and in January next year a new spring summe catalogue will be introduced.

# BRITANNIA ARROW INCREASES HOLDING

IN MINSTER Britannia Arrow Holdings, the finance, property, publishing and distribution company, has raised its holding in Minster Assets, the insurance, investment and bank-

ing services group. Britannia now holds 2.15m shares which represents 6.29 per cent of Minster Asset's equity. It previously held 5.63 per cent.

ASSOCIATE DEAL S. G. Warburg and Co., as an associate of F. W. Woolworth and investment which the UDS board Co., on August 18 hought on does not believe would be behalf of a discretionary investment client, 100,000 ordinary

The amounts realised from the sale, which will not be deter-

# **U.S.** link for Dowty Fuel

entered into an agreement with Fine Woollen Spinners. Pennine the Chandler Evans Control is owned by Lionworld Holidays. Systems Division of Colt Industries (CECO), West Hartford, Connecticut, U.S. which grants to Dowty marketing and selling rights in CECO's control actuation

systems—in particular the cold gas type of actuators used on such missiles as Copperhead and Dowty described the move as a major new expansion of its 24

old relationship Chandier Evans. The new rights cover the UK A sharp rise in investment and European NATO countries

> Under the agreement CECO will provide support know-how to Dowty to enable them to technology to a number of potential projects.

PENNINE DYFING

hit textile industry are being papers. saved by the acquisition of Allen The Thornton and Sons, Huddersfield, by the Pennine Dyeing Group, £410.00.

mission dyer and finisher since cash.

an international group currently following a policy of investment in British textiles.

#### DARES ESTATES/ STANHOPE GENERAL The offer by Dares Estates for

Stanhope General Investment Company has been accepted in respect of 1.27m (98.94 per cent) ordinary shares and 27,457 (91.52 per cent) preference shares. All conditions to the offer have been fulfilled, and the offer is now unconditional and remains open for a further 14 days.

The cash offer by Henry Cooke. Lumsden and Company was accepted in respect of 7.48m new ordinary shares of Dares, and this offer is now closed.

# UTD. NEWSPAPERS

United Newspapers has completed the acquisition of J. Andrew and Co., publishers of the Ashlon-under-Lyne Reporter and associated weekly news-

The acquisition is expected to contribute about £150,000 to profits of United New papers in full year. Consideration for the acquisition is \$43,850 Thornton has been a com-ordinary shares and £390,000

# **Expansion for Copson**

supplier of heating equipment supplier of heating equipment and builders' materials, work specialist. The interim dividend is un-April 30, 1980, from £197,909 to £243,247.

Turnover for the year, exclusive of VAT and inter-company sales, rose from £5.64m to £6.16m and attributable profit increased to £119.248 (£101.707. extraordinary including credit of £6.863).

After tax of £125,175 (£100,663) earnings per 5p share are given as 3.31p (2.63p).
The dividend is increased (ax of £125,175 from 1p to 1.2p net.

Mr. F. Copson, the chairman.

and his wife have waived dividends on 1.5m shares amounting to £18,000. Last year they waived dividends amounting to £15,000.

Rraime lower

Pre-tax profits of T. F. and J. H. Braime (Holdings) fell from £215,586 to £166.621 in the half-year to June 30, 1980. Turn-

The interim dividend is un-changed at 1.5p net per 25p share—last year's total was 4.5p from pre-tax profits of £317.000.

# Massey **Ferguson**

AFFECTED by strong sterling, high interest rates and inflation. pre-tax profits of Massey-Fergu-son Holdings, UK farm and industrial machinery subsidiary of Massey-Ferguson of Canada, fell by £1.3m to £2.3m for the half-year ended April 30, 1980. Sales went ahead from £256.5m to £301.7m.

In the second half, poor trad-ing conditions to North America and other export markets, and the continuing strength of the pound, will seriously affect per-formance, the directors state

#### Oct. Vol. Yol. Val BP Com. Union Com. Union Com. Union Cons. Gold Cons. Gold GEC GEC Grand Met. Grand Met. Grand Met. 360 140 160 180 550 600 460 500 140 160 180 38 23 12 57 35 94 62 35 18 20 2 ~ — 20 38 17 68 38 26 912 312 509p 162p ICI ICI ICI ICI ICI Land Secs. Land Secs. Land Secs. Marks & Sp.; Marks & Sp.; 50 31 16 --350 360 390 420 390 293 90 100 110 420 460 40 17 6 1 85 12 18 10 5 10 26 40 26 --44 28 19 14 52 35 368p 27 28 15 91; 42 26 \_ 5 105°p 6 2 181 422p 456 **February** 17 10 6 24 18 13 9 24 18 19 94 76 61 48 37 70 80 90 84 94 104 114 120 220 240 250 369 460 500 151<sub>2</sub>| 71<sub>2</sub>| 30 13 81<sub>2</sub>| 51<sub>2</sub>| 51 8 168 5 121 62 10 10 50 --96p Lonrho P. & O. P. & O. P. & O. Racai Elec. RTZ RTZ RTZ RTZ RTZ Totals 14 5 72 52 32 12 148 118 18 183p 2 ---292p 26 56 2 19 476p 145 66 43 16

LONDON TRADED OPTIONS

# Barclays Bank

Interim Statement for the half-year ended 30th June 1980

The Barclays Group profit before taxation for the half-year to 30th June 1980 is £279.1m, which represents a decrease of 11% on the previous half-year. In their Report for the year 1979, the Directors

expressed the hope that it would be possible to pay the same rate of dividend for the year 1980 on the increased Ordinary capital resulting from the 1 for 5 capitalisation issue. Accordingly, and in order to adjust the balance between interim and final dividends, the Board of Directors has decided to pay an interim dividend for the year ending 31st December 1980 of 9-25p per £1 Ordinary stock (an increase of 34.4% over the interim for 1979: 6.88p restated to reflect the 1 for 5 capitalisation issue in 1980) which, together with an imputed tax credit amounts to 13-21 on that stock and to pay an interim dividend of 7p per £1 on the Staff stock which with the tax credit amounts to 10°0. These interim dividends will be payable on 20th October 1980 in respect of the stock registered in the books of the Company at the close of business on 12th September 1980 in the case of Ordinary stock and 30th June 1980 in the case of Staff stock.

The slight fall of £4.3 million in our Group profit before tax compared with the second half of last year was mainly due to three factors; first, increased overheads especially staff costs; secondly, the impact on the Clearing Bank of the movement of funds from current account to seven-day deposit and a squeeze on margins and, thirdly, an increase in our specific provisions plus

a further increase in our general provisions to take account of the continued rise in the overall volume of our lendings throughout the world. Specific provisions are always a matter of individual judgment and the recession in this country and elsewhere in the world will inevitably bring with it a number of problems for banks. We shall naturally do all we can to see our customers through this difficult period. General provisions are in a different category and the addition of £26-2 million brings our total to £171 million in relation to total lendings which have now reached £23-5 billion.

We hope that the recent signs of some slowing down in the rate of inflation in this country will be followed by a reduction in interest rates. This would bring with it a fall in our Clearing Bank profits but Mercantile Credit and Barclaycard will benefit.

Barclays Bank International has again shown very satisfactory progress with profit before tax and Loan Stock interest showing an increase of 10% over the preceding half-year in spite of the continued strength of sterling. We hope to see a further improvement in the second half of the year.

Anthony Tuke

Half-year

Sir Anthony Tuke, Chairman of Barclays Bank Limited

#### THE BARCLAYS GROUP CONSOLIDATED PROFIT & LOSS ACCOUNT (UNAUDITED) (Historical cost basis) Half-year

NOTES:	· · · · · · · · ·		· · · · · ·
Earnings per £1 Ordinary stock	52-81	p 74-9p	. 50-5დ
Profit retained	121.4	188-5	116-9
Profit attributable to members of Barclays Bank Limited Dividends	147-5 26-1	212·4 23-9	136-1 19-2
Extraordinary items	147.5	208-6 3-8	140·5 (4·4)
Profit after taxation Profit attributable to minority stockholders of subsidiary companies	157·4 9·9	220-2	147·2 6-7
Profit before taxation and extraordinary items Taxation	279-1 121-7	283-4 63-2	246-0 98-8
Total Group profit Interest on loan capital	290-5 11-4	292-4 9-0	254·4 8·4
Operating profit . Share of profit of associated companies	ended 30th June 1980 £m 265-9 24-6	ended 31st December 1979 £m 272-0 20-4	ended 30th June 1979 £m 230-0 24-4

 The bases of accounting are as explained on page 55 of the 1979
 Contributions to total Group profit arise from: annual accounts. panies to 31st December, the Group profit for the first half of 1979 has been restated to reflect the results of those companies for the six months ended 30th June 1979.

Total Group profit before interest on loan capital and taxation

Half-year ended			
1.12.79	30.6.79		
£m	£m		
315-7	253∙6		
28-8	26-2		
286-9	227-4		
14-9	(2.6)		
272-0	230-0		
20-4	24-4		
292-4	254-4		
3	292·4 ad and		

debts shown above comprises: Half-year ended 30.6.80 31.12.79 30.6.79 40·2 26·2 22.3 9.9 3-2 25-1 Charge for specific provisions Charge for general provisions 28-3 32.2 Recoveries of amounts previously (2.1)(20) (3.4) written off

£m. 161-1 £m 174-6 Barclays Bank Limited 150-8 Barclays Bank International Group 3·2 18-5 3-8 18-4 Barclays Merchant Bank Group Mercantile Credit Group Other subsidiary and associated companies of Barclays Bank Limited 15-7 11.7 15-6 290-5 292-4 254-4 5. The charge for taxation is based on an estimated effective rate for the year which takes account of the principles of SSAP 15 and assumes a UK corporation tax rate of 52%. The estimated effective rate for the year allows for the continued provision of 25% of the potential taxation liability in respect of leasing transactions in

6. Dividends per £1 stock: **30.6.80** 31.12.79 30.6.79 Ordinary stock 9.25p 8.54p 6.88p Staff stock 7.00p 7.00p 7.00p The Ordinary stock dividends for each half-year of 1979 are

restated to reflect the one for five capitalisation issue in 1980. 7. Earnings per £1 Ordinary stock are based on profit before extraordinary items and after taxation, minority interests and dividends on Staff stock, related to the Ordinary stock in issue during the half-year, adjusted for the 1980 capitalisation issue.

Half-year

ended

Half-year

Half-year

28.8 26-2 64-4 CONSOLIDATED PROFIT & LOSS ACCOUNT (UNAUDITED)

(Current cost basis)

· · · · · · · · · · · · · · · · · · ·	2045 T	21ee December	20sh Issa
· ·	30th June 1980	31st December 1979	30th June 1979
•	£m	£m	£m
Fistorical cost operating profit Lurrent cost adjustments;	265-9	272-0	230-0
Acnetary working capital	(139-5)	(84-8)	(83-0)
-ddirional depreciation	(6.9)		(5.3
Cost of sales	(1.9)		(0-9)
Current cost operating profit	117-6	176-1	140-8
Interest on loan capital	(11-4)		(8-4)
Gearing adjustment	29-6	15-6	15.5
	135-8	182-7	147-9
Share of current cost profit of associated companies	10-1	10-6	146
Current cost profit before taxation and extraordinary items	145-9	193-3	162-5
Taxation	(121-7)	(63-2)	(98-8)
Current cost profit after taxation	24.2	130-1	63-7
Attributable to minority interests	(5-6)	(9·3)	(4-5)
Extraordinary items		3·1	(8-1)
Current cost profit attributable to members of	<del>-</del>		<u> </u>
Barclays Bank Limited	19-2	123-9	51.1
Dividends	(26-1)	(23-9)	(19-2)
Current cost profit retained	(6-9)	100-0 -	31-9
Current cost earnings per £1 Ordinary stock	6-8p	43·3p	21.3

(a) The monetary working capital adjustment provides for the effect of price changes on the monetary working capital of the business and is calculated by applying the movement in the UK retail price index or appropriate overseas equivalents to the average monetary working capital of the Group. Monetary working capital is the excess of monetary assets over the total of deposits and engiomers' current accounts, other accounts and long-term borrowings of overseas subsidiary companies.

(b) Additional depreciation is the difference between depreciation based on the current cost of fixed assets and that charged in the historical cost accounts. No adjustment has been made in respect

of equipment fully depreciated under the historical cost convention and written out of the books as it has been impractical to quantify

(c) The cost of sales adjustment makes allowance for the difference between the historical cost of goods sold and an estimate of their current cost at the date of sale.

(d) The gearing adjustment reduces the effect of the above current cost adjustments and allows for the benefit to stockholders of financing part of the operating assets of the business by loan capital which is fixed in monetary terms.

**BARCLAYS** 



Registered Office: 54 Lombard Street, London EC3P 3AH Registered No. 48839.

# Armco diversifies with \$314m bid

ARMCO, THE seventh largest steel company in the U.S., is to extend its diversification into the financial services field by acquiring NN Corporation, a Milwaukee insurance company, for about \$314m. Armco has thus snatched NN from Engelhard Minerals and Chemicals which bid \$278m in June and was on the point of polling

Under the terms of the Armoo offer, each NN share would be exchanged for 1.5 shares of Armco, with provision for an upward adjustment in the price if the Armco share price falls

## Temporary ban on Atco deal

By Robert Gibbens in Montreal

ATCO, a Calgary producer of prefabricated industrial buildings which also has drilling contracting interests, has run up against a serious roadblock in its C\$500m (\$430m) attempt to win control of Calgary Power, the principal Calgary electrical power distributor.
The Alberta Public Utility

Board temporarily has banned Atco from going ahead with the purchase of Calgary Power shares pending the results of an investigation into all the issues involved. Atco said it would make a court appeal Earlier this month Atco made

a revised offer for 50.1 per cent

# Pullman agrees to merger Deere with Wheelabrator-Frye

engineering concern which also designs and builds chemical and other processing plants, agreed yesterday to merge its operations with Wheelabrator-Frye in a deal initially worth \$86m but which could eventually be worth The merger of Pullman into a

subsidiary of Wheelabrator will follow an initial cash tender offer by Wheelabrator for 2m Pullman shares at \$43 a share. This will give Wheelabrator an initial stake of just over 18 per cent in the railway engineer-

ing company. But under the terms of the agreement. Wheelastrator will have a further option to buy an together with the option to But the Pullman board acquire up to 1.8m newly issued fiercely opposed the deal together with the option to

PULLMAN, the U.S. railway Pullman shares at \$36.875 a because it regarded the McDershare before the end of next mott offer inadequate. February.

Moreover, the agreement gives Wheelabrator a cash option to buy all the assets and liabilities of Pullman's engineering and construction business for \$200m.

The agreement ends months of speculation over the envisaged acquisition of all or part of Pullman by another

major U.S. group.
The deal also represents a setback for the New Orleans energy engineering and con-struction services company J. Ray McDermott, which had sought to increase its stake in Pullman to more than 20 per cent by bidding for up to 2m additional 2m Pullman shares Pullman shares at \$28 a share.

Until yesterday it was not clear which other companies were involved in negotiations with Pullman. Among these companies Enserch Corporation, a utility and diversified energy company, and Ashland, the largest independent U.S. oil company, were believed to be interested in making an offer

Wheelabrator, a fast-expanding manufacturer of pollution control and synthetic fuel systems, also with chemical interests, failed earlier this month to acquire Huvck Corporation, the U.S. paper clothing business At the last moment it was outbidden by BTR, the UK rubber and plastic group.

# Shamrock buys stake in Tesoro

DIAMOND SHAMROCK, chemical and energy group, has acquired a 4.5 per cent stake in Tesoro Petroleum, another Texas-based concern which has been expanding its interests in

recent years. However, Diamond Shamrock **Danies** 

Tesoro said yesterday that it had informed Shantrock that the for it to consider a business to \$27), which would suggest of \$2.6bn against \$1.7bn.

interests of the company and its shareholders would be served by Tesoro remaining indepen-

to undertake discussions with Tesoro capital—is causing contessoro executives on a possible cern to Tesoro. It said yester-combination of the two conducts day it had requested its advisers

Tesoro capital—is causing contessoro petroleum products.

Tesoro capital—is causing contessoro petroleum products.

to \$17m for its holding. Tesoro, which owns 36.7 per

cent of Commonwealth Oil Refining Company, the bankrupt But the emergence of Refining Company, the bankrupt Diamond Shamrock with a block of 630,000 shares—representing around 55 per cent of its has been rebuffed in its attempt 2.8 per cent of the fully diluted revenues from the refining. marketing and transportation of

For the year to September, to look into the matter in light 1979, profits totalled \$59.3m of the unusually heavy recent from revenues of \$2.37bn and trading in the company's stock. for the first nine months of the company was not for sale, that In the past month Tesoro's current year it pushed up profits of Calgary Power's voting shares it was inappropriate at this time share price has risen from \$201 from \$34.5m to \$99.1m on sales at C\$21 a share. it was inappropriate at this time share price has risen from \$20.5 for it to consider a business to \$275, which would suggest of \$2.6bm against \$1.7bm.

This announcement appears as a matter of record only.



# State of Mato Grosso do Sul

U.S. \$20,000,000 Loan

Unconditionally Guaranteed by the

**Federative Republic of Brazil** 

Arranged by

European Brazilian Bank Limited-EUROBRAZ أحمرا الشاعلا فيفات يبيانيا

Managed and Provided by

Abu Dhabi International Bank, Inc.

Bank of Montreal

**European Brazilian Bank Limited** 

and

Arab Latin American Bank Limited

Banco Mercantil de São Paulo (London Branch)

Midland Bank Trust Corporation (Jersey) Limited

National Bank of Abu Dhabi

PKbanken International (Luxembourg) S.A.

Agent: European Brazilian Bank Limited - EUROBRAZ

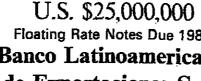
# Bank of Helsinki

U.S. \$20,000,000

NEGOTIABLE FLOATING RATE CERTIFICATES OF DEPOSIT DUE 1983/1985

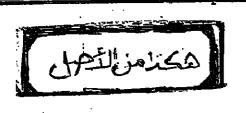
In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month Interest Period from August 22, 1980 to February 23, 1981. the Certificates will carry an Interest Rate of 12: 0625," per annum.

FIRST CHICAGO



In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 22nd August. 1980. to 23rd February. 1981. the Notes will carry an interest rate of 12% per annum. The interest payable on the relevant interest payment date. 23rd February. 1981. against Coupon No. 3 will be US \$61.6666.

Merrill Lynch International Bank Limited Agent Bank



# Floating Rate Notes Due 1984 Banco Latinoamericano de Exportaciones S.A.



# suffers sharp setback

By Ian Hargreaves in New York

DEERE and Company, the leading maker of agricultural equipment, yesterday reported a sharp sethack in its third quarter earnings and Caterpillar Tractor, the world's largest construction equipment group, announced another sweeping round of redundancies.

Deere suffered a 3 per cent sales decline in the quarter to \$1.36bn and saw net profits slashed from \$97m in the same quarter a year ago to \$27.7m. For the nine months sales were up 10 per cent at \$4bn, but net income was down from \$271m to \$183m.

Deere, which has affiliates in Australia, Argentina and Turkey, said its ovrseas business continued to suffer substantial losses, while at home the severity of the re-cession for farmers had forced sharp reductions in

production levels. The company has also set lower production levels up to the middle of 1981, but Mr. William Hewitt, the chairman, said he was encouraged by the improved outlook for farm incomes in the U.S. stemming from recent increases in live-

stock and crop prices. He foresaw little improvement in spending on construction equipment before next spring, which means operating results for Dere are unlikely to improve during the balance of this year.

On a dollar basis, farm equipment sales in the third quarter were up by 4 per cent to \$1.1bm, but industrial equipment sales slumped by 32 per cent to \$190m. At Caterpillar, the process

building up stocks and satisfying orders after the almost three month strike in the U.S. at the end of last year seems to be virtually complete. As a result the company is to lay-off indefinitely a further 2,500 workers in the U.S., taking total layoffs to 5.700—more than 8 per cent of its U.S. workforce.

In addition, the company will shut down entirely in the U.S. for one week in November and expects "further adjustments" in its European production levels. Caterpillar workers in Britain are already on a four day week.

Caterpillar says it now expects unit sales this year to be lower than last year's strike - affected performance. Net profit for the year, it sald, was unlikely to exceed last year's \$492m.

## RKO to sell TV station for \$54m

By David Lascelles in New York

IN A move to head off some of the Federal Communicapleasure, RKO, the broadcasting company, is to sell off a TV station for \$54m. RKO, a subsidiary

General Tire and Rubber, was deemed by the FCC carlier this year to be unfit to operate three of its TV stations because of allegations of improper political payments and accusations that companies had been pressed into advertising on RKOowned stations as a condition of doing business with General Tire. General Tire has rowed that it will fight the FCC's action all the way to the Supreme Court.

The station to be sold is

WNAC-TV Boston, and the purchaser is a group specially formed by local Boston interests. However, RKO will appar-

ently continue to challenge in the courts the FCC's ruling that it loses its licence for two other TV stations, in New York and Los Angeles. The FCC is also considering

depriving RKO of licences to its fourth TV station and 12 local radio stations. However, current indications are that it may decide against

such an extreme step.
Although RKO would retain its broadcasting facilities if the worst came to the worst, they would be virtually worthless without a broadcasting licence. Thus the FCC's course would, if pursued, he a staggering business blow to General Tire.

# U.S. Steel to reopen plant

U.S. STEEL, the largest American steelmaker, is to re-open three of the blastfurnaces shut down in the second quarter of this year because of the slump in steel demand.

The company cautioned that in the case of two of the reflect any significant increase in the recent volume of orders, but rather a depletion of the company's stocks of semi-finished steel. But the fact that the com-

pany is willing to go through with the expensive re-ignition process for the furnaces is one of the first indications so far that the steel industry has started to believe the statistical signs that the U.S. economy is now on the way out

# U.S. Government backs Roan Mines' Eurocredit

finance its copper and cobalt applications especially in the mining activities in Zambia. The credit bears an unusual feature in that it is backed by the the credit bears a margin of governments of both the U.S. The U.S. involvement comes

with the position as guarantor of the Overseas Private Invest-

ment Corporation, a government agency whose support backs the credit with the full faith and credit of the U.S. Although details are not being disclosed, this rare guarantee should help the U.S. to secure supplies of cobalt, a strategically important mineral, as well as copper and

risk in the Euromarkets and the margin is thus much lower than it would have been had the Republic of Zambia been the sole guarantor.

aerospace field.

only i per cent over London interbank rates for six years.

This ranks it as a top quality

ROAN CONSOLIDATED Mines Cobest, the rarest of the three institutions are be is raising a \$30m Eurocredit to metals, has important industrial approached to participate.

Roan Consolidated is incorporated in Zambia but quoted on the London Stock Exchange. It is 61 per cent owned by the government of Zambia.

Earlier this week it reported a sharp fall in first quarter profits, down to kwacha 9.1m (\$11.7m) from kwacha 33.3m Although the situation is slowly Chase Manhattan's London improving the company has branch is acting as agent for the credit, while the bank's UK subsidiary, Chase Manhattan Limited, is lead manager along-side Irving Trust Company also suffers from a chemical substitution. side Irving Trust Company. also suffers from a chronic only a limited number of other shortage of skilled manpower.

# Rally in dollar Eurobond prices

PRICES OF straight dollar Eurobonds staged a technical rally yesterday to finish with gains averaging about } points, but the reversal in sentiment was short-lived and the market closed with a weak undertone. Impetus for the price move-

ment came from New York where U.S. Government securities had moved markedly higher on Wednesday night. Dealers felt that this was little more than a reaction to recent weakness and as expected prices were already resuming their down-ward trend by yesterday lunch-time in Wall Street.

A significant feature of the Eurobond market was the price oscillation of the new Alcoa deferred payment bonds which fell at one stage to around 213 before recovering about a full point by yesterday evening. The market is still uncertain about calendar of new issues. This was the extent of allocations to the

underwriters.
In the Canadian dollar sector Bankmount Realty, a unit of ing monetary policy at its a central bank as well as the Bank of Montreal, is raising regular meeting yesterday. As first to be floated by an East C\$50m through a straight eightit happens, monetary policy is year bond with a coupon of 123 left virtually unchanged by the ger is Nippon European Bank.

In Germany the decision by

the Bundesbank to reduce minimum reserve requirements by 10 per cent had little impact on the bond market. The market still believes that

German rates will be reduced at some stage, especially since the economy is now showing some sign of a slowdown. .

Meanwhile, much depends on further developments in the U.S. for the time of any cut. One thing the Bundesbank wishes to avoid with its interest rate policy is sparking off any further appreciation of the dollar against the mark which would tend to spur inflation. For the short term the market

is looking forward to a heavy set at a time when it was still believed there was a real pos-sibility of the Bundesbank eas-

per cent and issue price of par. meeting since even the freeing Co-lead managers are Morgan of minimum reserves will Stanley and UBS Securities. only offset previous liquidity only offset previous liquidity measures due to expire shortly. In these circumstances some bankers are uncertain as to how easily the market will be able

to digest next week's offerings. WestLB said yesterday the planned DM 30m private placement for Seiyu Stores has been postponed till at least next week for technical reasons not re-lated to the Bundesbank meeting. Prices on the secondary market closed i point higher with the Sweden DM 200m issue due to be priced officially on Monday quoted at less 1-14 in the grey market. Swiss franc issues closed little

changed. Meanwhile, the National Bank

of Hungary has completed arrangements for a \$15m floating rate certificate of deposit issue with a margin of 1 per cent over six-month Libor. The

#### BOND SERVICE FT INTERNATIONAL

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on August 21

EIB 13½ 90 100 102½ 103¾ 0 -1¾ 13.18
Eksportfinans 1½ 87 ... 50 95½ 95½ 0 -1¾ 12.31
Elec. de France 10 88 125 32¾ 89 -0¾ -1¾ 12.31
Elec. de France 10 88 125 32¾ 89 -0¾ -1¾ 12.31
Export Dv. Con. 12¾ 87 100 100% 101¾ -0¾ -0¾ -1¾ 12.43
Export Dv. Con. 12¾ 87 100 100% 101¾ -0¾ -0¾ -1¾ 12.43
Federal Dev. 8k, 12% 85 75 100% 101¾ -0¾ -0¾ 11.34
Federal Dev. 8k, 12% 85 75 93¾ 93% 0 -2½ 12.30
Finl. Exp. Credit 10½ 85 50 93¾ 93% 0 -2½ 12.30
Finl. Exp. Credit 10½ 85 50 93¾ 93% 0 -2½ 12.30
Ford O/S Fin. 12¾ 85 250 97¼ 98½ +0¾ -0¾ 13.44
George Weston 13½ 87 30 100 102½ 103¼ -0¾ -0½ 13.44
GMAC O/S Fin. 11 84 100 96% 97¼ 95½ +0¾ -0¾ 12.43
GMAC O/S Fin. 13¾ 85 100 102½ 103¼ -0¾ -0½ 12.43
Goodyear O/S 12½ 87 75 97¾ 97¾ +0¾ +0¾ 12.43
Goodyear O/S 12½ 87 75 97¾ 97¾ +0¾ +0¾ 12.43
Goodyear 0/S 12½ 87 75 97¾ 97¾ +0¾ -0¾ 12.43
McGraw 13½ 85 ... 75 95½ 95½ -0¾ -0¾ -0½ 12.89
ICI Fin. Ned. 11 83 100 98 98½ +0¾ -0¾ -0½ 12.89
ICI Fin. Ned. 11 83 100 98 98½ +0¾ -0¾ -0½ 12.36
Nova Scotia 10¾ 90 ... 50 90% 91¾ +0¾ -0¼ 12.35
OKB 10 85 ... 50 99¾ 99¾ +0¾ -0¼ 12.35
Pembroke Capital 9¾ 87 100 91 91½ -0¼ 0 11.52
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Pembroke Capital 9¾ 87 100 91 91½ -0¼ 0 11.52
Swed Ex Cred. 12½ 85 40 99¾ 100½ +0½ -0¼ 11.94
Norwarse Ltd 11¼ 85 ... 50 97¾ 97½ +0¾ -0¾ 11.94
Swed Ex Cred. 12½ 85 40 99¾ 100½ +0½ -0¼ 11.94
Unilever NV 9¾ 90 100 92½ 92½ 92½ +0¾ -1½ 11.82
Unilever NV 9¾ 90 100 92½ 92½ 92½ +0¾ -1½ 11.97
Average price changes. On day +0½ on week -1

DEUTSCHE MARK

VEN STRAIGHTS Issued Bid Offer day (
Australia 5.8 83 ... 36 ... 924 ... 934 ... 0
Australia 65 88 ... 20 ... 984 ... 991 ... 0
E18 72 89 ... 12 ... 961 ... 971 ... 971 ... 971
Finland 6 8 8 ... 10 ... 911 ... 921 ... 0
Finland 6 8 8 ... 10 ... 981 ... 981 ... 901
Finland Rep. at 8 ... 97 ... 15 ... 974 ... 881 ... + 61 ...
Average price changes ... On day 0 on week 

OTHER STRAIGHTS | Isaued | Roll Canada | 104, 86 CS | 60 | C18C | 131, 85 CS | ... | 50 | C18C | 117, 85 CS | ... | 60 | Federal Dev. | 117, 30 CS | 50 | Fst Can. | Inv. | 10 84 CS | 50 | GMAC | 12 85 CS | ... | 50 lanued Bid Offer 60 93<sup>1</sup>, 93<sup>1</sup>, 50 †101<sup>1</sup>, 102 60 †95<sup>1</sup>, 96 60 †92 92<sup>1</sup>, 50 †92 92<sup>1</sup>, 50 †97<sup>1</sup>, 98 CECA 144 88 FFT
Finland 11 84 FFT
Finland 1142 89 FFT
Gaz de France 113 84 FFT
IBM France 113 84 FFT
Renault 93 85 FFT
Solvay et Cie 93 87 FFT
Solvay et Cie 94 87 FFT
Solvay et Cie 94 87 FFT
Utd. Mex. Sts. 14 85 FFT
Beneficial Fin. 143 90 £
Citicorp O/S 132 90 £
Citicorp O/S 132 90 £
Fin. for Ind. 122 89 £
Fin. for Ind. 122 89 £
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CCUE 32 91 KD
Sonatrach 82 90 KD
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\*No information available—provious dey's price.

† Only one market maker supplied a price.

Straight Bonde: The yield is the yield to redemption of the mid-price; the amount issued is in mitigate of currency units except for Yen bonds where it is in billidge. Change on week, Change over price a week seriler. Hosting Rate Notes: Denominated in dollars unless officivies indicated. Coupon shown is minimum. Come Date next coupon becomes affective. Spread—Nargin above next coupon becomes affective. Spread—Nargin above rate) for U.S. dollars. C. phe—The current coupon. C. yid—The current yield.

Convertible Bonde: Denominated in dollars unless offerwise indicated. Chg. day—Change on day. Chv. date—Nirst date for conversion into shares. Chv. price—Nominal, amount of bond: per share expressed in currency of share at conversion first share at result of acquiring shares via the bond over the most recent

WEST GERMAN CHEMICALS

# Hoechst hit by economic slowdown

BY KEVIN DONE IN FRANKFURT

HOECHST, the largest West the second quarter below the German chemicals group, is average achieved last year. being hit by the slowing West German economy and stiffening strong performance in the first Growth of both group profits and sales slowed considerably in the second quarter.

yesterday the group admitted that its plants were working at only 80 per cent of capacity in the second quarter compared with 85 per cent in the first

Kaufhof and

GB Inno in

fast food deal

By Our Frankfurt Staff

largest retail stores groups,

ing forces in an attempt to

break into the fast food busi-

Kaufhof, the second largest

Germany with sales last year of the first under DM 8bn (\$4.5bn),

is taking a 60 per cent stake in

Ta joint-venture company to be

established with headquarters

The venture will break en-

tirely new ground for Kaufhof,

which will rely largely on its

Belgian partner for the expertise

in running a chain of fast food

field in Belgium along with its

major interests in department

oustores, supermarkets and hyper-

markets. It has an annual turn-

pver of nearly DM 6bn and is

The new company, Zentra "Hamburger" Schnellrestaurant,

will have a basic capital of

DM 100,000. No name has yet

been selected for the restaurant

chain, but Kaufhof said yester-

day that its first fast food ham-

burger outlet should be ready

Kaufhof like the other major

West German department stores

groups, has suffered badly in

At the end of last year it took

the plunge into the mail order sector by acquiring a 76 per

cent stake in the Friedrich Wenz

mail order group for around

Kaufhof has clearly been attracted to the fast food business by the possibility of more dynamic growth rates.

Several hamburger chains, such

as McDonald's and Burger King,

have started to make a major impact on the German retail food industry

Kaufhof said yesterday that

burger restaurant chain had

several sites for its new ham-

been located in city centres around West Germany, but no

deals had yet been completed.

The expansion of the new ven-

ture would at first be deter-

mined primarily by the speed at which suitable sites could be

ASAB, which is part of Electro-

lux, Swedish household appli-ances group, has acquired the Rollins building services divi-

sion of the Rollins group of the

headquartered in Atlanta, Georgia, has annual sales of

SKr 80m (\$19.25m) and em-

in the industrial cleaning sector

Allied Irish Bank .... 16
American Express Bk. 16
Amro Bank ... 16
Henry Ansbacher ... 16
A P Bank Ltd. ... 16
Marbuthnot Latham ... 16
Associates Cap. Corp. 16
Banc of Bilbao ... 16
Bank of Credit & Cance. 16
Bank of Cyprus ... 16
Bank of N.S.W ... 16
Banque Belge Ltd. ... 16
Banque du Rhone et de
la Tamise S.A ... 164

anque du Rhone et de la Tamise S.A. ..... 161%

A.B.N. Bank ..... Allied Irish Bank

Rollins building services, eadquartered in Atlanta

U.S. move by

Electrolux

to open by the beginning of

the largest retailer in Belgium.

Innov is already active in this

restaurants.

ness in the Federal Republic.

Overall, however, the very

competition in world markets, quarter is still serving to put a fine gloss on the group's per-formance in the first half.

the first six months rose by 15.3 In a letter to shareholders per cent to DM 15.02bn (\$8.4bn), with the major boost coming from strong demand in foreign

three months of the year. This decline caused by falling volume plants in the U.S., Western the parent company fell in the first German market increased by ward trend in the second only 9.9 per cent. Hoechst's quarter of the year has continued into the third quarter.

Ward trend in the second quarter of the year has continued into the third quarter.

Like its major rival BASF, ments by public authorities of a ticularly strong progress with Hoechst said yesterday that it net DM 1.95bn.

important contributions coming had found it impossible to pass from agricultural products, on in full its higher raw material from agricultural products, pharmaceuticals and process plant engineering.

Worldwide, Hoechst boosted its pre-tax profits by 15.5 per cent in the first six months to Hoechst's sales worldwide in DM 907m, while the parent company raised pre-tax profits by 15.9 per cent to DM 524m on a turnover of DM 5.8bn, an increase of 10.6 per cent.

costs. Competition was being felt most keenly from countries lower energy and feedstock costs, such as the U.S.

 Net sales of German fixed interest securities fell sharply in July to DM 1.6hn after DM 4.2bn both in June, and in July Sales volume in the first half DM 11.8bn from DM 10.7bn in Sales abroad rose by 17.9 per of the year showed an increase June and DM 10.3bn in July cent while sales in the West of only 2 per cent. The down- 1979, but redemptions, at DM German market increased by ward trend in the second 10.15bn, were unusually high.

# SKF doubles first-half profits

BY WESTERLY CHRISTNER IN STOCKHOLM

SKF, the Swedish bearings and for increased sales and "signifi-steel division products improved steel manufacturer, has concant improvements" in this to 4.7 per cent. tinued last year's recovery with year's group income, should TWO OF Western Europe's a SKr 535m (\$125m) profit for thus be fulfilled. the first half, more than double the SKr. 237m reported month sales increased the sales in sales increased the sales in sales in sales in Kaufhof of West Germany and GB Innov of Belgium, are joina year earlier.

Sales increased by 18 per cent to SKr 6.5bn at the end of June. The first quarter accounted for SKr 3.26bn but sales for April-June were SKr 468m higher department store group in West

than a year earlier. Although no forecast was offered for 1980 as a whole, SKF states "there is no indication that the group's market SKr 800m. demand will undergo any Profit m demand will

per cent, SKr 600m, gain to red. SKr 4.7bn in roller bearing units non-bearing products. There pany." was a 25 per cent increase for Depreciation totalled SKr special steel products during the 230m, basically unchanged from half-year to SKr 1.14bn, a 23 per January-June, 1979. Net financent improvement for cutting cial costs were SKr 223m against tools to SKr 290m, and a 29 per SKr 194m. cent rise for other products to Capital expenditure amounted SKr 800m. to SKr 192m, and was used

Profit margins in the roller mainly

Improvements shown by German and Italian

A major portion of the six- subsidiaries, SKF (UK) and the month sales increase was an 18 French unit moved out of the Smaller manufacturing sales. However, relative rises in division made "good progress, sales were greater for SKF's particularly the Indian com-

rationalisation. radical change during the next bearing division rose from 3.9 Liquid funds at the end of June few months." The prediction per cent to 8.7 per cent during totalled SKr 1bn, compared with made in the 1979 annual report the half-year. The margin for SKr 680m.

# Mixed income trend for MAN

BY ROGER BOYES IN BONN

MAN, the West German commercial vehicles and mechanical engineering group, experienced unsatisfactory profits in some divisions during the year ended June but expects to pay a suitable " dividend.

A letter to shareholders explains that the group reported an 11 per cent sales increase to DM 7.8bn (\$4.4bn) and that new orders, buoyed by high demand for commercial vehicles groups, has suffered badly in and a pick-up in the marine recent years from the rising engine market, rose 13 per cent to DM 8.2bn. Orders in hand merchandising particularly rose by 5 per cent to DM 8.6bn.
hypermarkets and mail order, MAN's earnings problem has MAN's earnings problem has

engine section. This was judged to be a reasonable move to keep up capacity utilisation during had an adverse effect on earn-

in the nature of teething troubles with a long run-in expected for such innovations as the new range of 6-9 tonne trucks, and the new line in motor vehicle diesel engines.

MAN, however, has a number of strengths which should

Germany's motor and shipbuilding industries have both been warning that there is a particusecure its medium-term future. larly tough year shead, and First, it is diversified and has inevitably this will have some an even order distribution in effect on MAN, despite reporting and has been looking hard for two main roots. In the first such potentially vulnerable improvements in its truck and place, MAN, a main holding of areas as the trucks section. This ship engines divisions. And the Gutehoffnungshuette engi- allowed MAN to fill rapidly the neering group, had to offer gap left by the completion of a uneconomical prices to win large Germany army order with orders in some of its more both high domestic truck sales troubled divisions, notably the and higher sales from other power station division GHH units such as the printing Sterkrade and the marine diesel machinery division.

with SKr 194m for the first

quarter underlining the effect of the strike. With SKr 289m

earned up to the end of June,

the group needs to make a pre-tax profit of SKr 186m to meet

its SKr 475m target for this

year. For the second half last

year it earned SKr 208m pre-tax. Earnings per share this year are expected to reach

The company notes that the market for metals during the

high prices, making up for a weaker trend from April to

Furthermore Boliden predicts

June, especially in the U.S.

first quarter this year

marked by

The second main strength is that the company is principally involved in growth sectors such the lean years, but it naturally as solar and space technology, nuclear power engineering and. benefiting from trend towards The other problem is more fuel-economy diesel engines.

However, these medium-term strengths will probably only provide limited comfort over the coming nine months. although nuclear power engineering orders have begun to pick up. no radical improvement can be expected until the political deadlock over the future of nuclear power in Germany has been resolved.

# Sharp gains by Boliden despite labour strife

BY OUR STOCKHOLM STAFF

BOLIDEN, the metals and chemicals group, posted pre-tax earnings of SKr 289m (\$69.5m) for the six months to June-compared with SKr 163m a year earlier. Turnover during the period rose to SKr 2.58bn from SKr 1.75bn.

For 1980 as a whole the com-pany forecasts pre-tax earnings of SKr 475m—up from SKr 371m last year but SKr 25m less than was predicted at the beginning of this year, due to the nation-wide Swedish labour strike and lockout in May. However the figure is only just under the 1974 peak of SKr 492m.

Sales during 1980 are esti-mated to reach SKr 5.2bn, up SKr 1.24bn, and just exceeding the forecast made in the first quarter of SKr 5.1bn. The labour conflict which

caused widespread production cutbacks within Boliden Metall and Boliden Kemi in particular, is estimated by the group to ploys 1,700 persons. It is the second Electrolux acquisition have cut profits by SKr 75m. The second quarter pre-tax profit was SKr 95m compared

Keyser Ullmann .... 16
Knowsley & Co. Ltd... 18
Langris Trust Ltd. ... 16
Lloyds Bank ...... 16
Edward Manson & Co. 17
Midland Bank ...... 16

7-day deposits 14%, 1-month deposits 14%.

17-day deposits on sums of £10,000 and under 14%, up to £25,000 14% and over £25,000 14%.

Call deposits over £1,000 14%. § Demand deposits 1412%.

Middand Bank ...... 16 Morgan Grenfell .... 16 %
National Westminster 16 %
Norwich General Trust 16 %

## **Maintained** interim result from Veba

By Leslie Colitt in Berlin

VEBA, which is both the largest energy group and the largest company in West Germany. boosted sales in the first half of this year to DM 20.3bn (\$11.5bn) from DM 16.9bn a ago. After-tax profits remained static at DM 185m, compared with DM 187m.

Herr Rudolf von Benningsen-Foerder, group chairman, told the annual shareholders' meet-ing in Berlin he was confident an "adequate dividend" would be paid for this year, despite a more difficult second half because of the economic slowdown in West Germany.

that the fall in production caused by the labour disputes Herr Benningsen-Foerder said the company expects only small will be made up for later this growth rates in West Germany's year with a greater improve-ment in metal prices than earlier expected. future energy consumption. Veba will increasingly use coal

# TV layoffs by Philips

" exceptionally "

PHILIPS, the Dutch electrical group, announced plans to reduce the number of jobs in its video division in the Netherlands. The company will shed 520 jobs at three factories by next May, reducing the work force in it video division to just under 5,000.

This has become necessary because of a levelling off of demand for colour television sets in Europe and improve-ments in productivity, the com-pany said. The union representing the workers involved said it had no alternative but to accept

# Moët-Hennessy

An agreement in principle on the complete takeover of Schieffelin and Co. by the Moët-Hennessy Group was signed in New York on 8th August 1980. This agreement is subject to the approval of the Board of Directors of both companies as well as of the public authorities concerned.

Schieffelin and Co. is one of the leading American distributors of wine and spirits, and is the commercial agent of the Moët-Hennessy Group in the United States. It also owns the "Simi" winery in the Sonoma Valley of Northern California, and has a 50% interest in "Sichel", the German wine company.

# Nippon Seiko lifts consolidated

earnings

NIPPON SEIKO, one of the leading manufacturers of bearings and machinery parts, and its nine consolidated subsidiaries, increased profits sharply in the fiscal year ended April 30, largely due to brisk overall sales of ball

Nippon Seiko's consolidated operating profits more than doubled to Y14.36bn (\$64m). Net profits were boosted 58.6 per cent to Y8.05bn (\$35.9m).

Consolidated sales of Nippon Sciko increased by 12.5 per cent to Y198.87bn (\$887m). The turnover of the parent company accounted for Y167.72bn.

The upsurge in sales was accounted for by brisk demand from car and the machine tool industry for ball bearings. At the same time, fared well. Demand for these from numerical control (NC) machine tools were brisk. Sales of ball setscrews are expected to grow to Y13bn in the current fiscal year from

Y7bn a year before. The company's nine con-solidated subsidiaries, includ-ing four overseas manufacturing subsidiaries (in the U.S., Brazil, Germany and UK) worked at full capacity.

For the present fiscal years the company sees continuing favourable demand from car makers and machine tool manufacturers. To cope with rising demand, the company plans to increase production capacities of U.S., UK and Brazilian subsidiaries by 50 per cent in the current year.

Consolidated operating profits are forecast at Y17bn (up 18 per cent), net profits at Y10bn (up 24 per cent) on sales of Y220bn (up 11 per cent) for the fiscal year ending April 30, 1981.

# Peak outcome and scrip issue from Lend Lease

BY JAMES FORTH IN SYDNEY

LEND LEASE Corporation, the HP from 32 per cent to 17 per single shareholders in HP. largest property development cent. IIP, which is traded in and management group in Austhe U.S. on the over-the-counter tralia, boosted earnings 16 per cent to a peak A\$20.35m (U.S.\$23.58m) in the year to June and plans a scrip issue. The Board has also decided on a "special dividend" totalling A\$5.68m which will be satisfied by the distribution to Lend ease shareholders of shares in the U.S. affiliate, International Income Property Incorporated The distribution will be one

IIP share for every 100 Lend exchange.

Lease shares and will reduce the holding of Lend Lease in London is one of the largest the 1980-81 year.

market, owns regional retail complexes in Pennsylvania and Georgia. IIP will also make an offer to its own shareholders to purchase small holdings of less than 25 shares, which will be The Lend Lease distribution

the stock will eventually be listed on the New York

The profit increase was achieved on a 10 per cent lift in turnover, from A\$335m to A\$368m (U.S.\$426m). The dividend is held at 15 cents a share and is covered by earnings of 32.5 cents, compared with 30.3 cents in the previous year. The scrip issue will be on the

basis of one new share for every will increase the number of IIP 20 held, and the directors expect holders and Lend Lease hopes to maintain the dividend on the to maintain the dividend on the increased capital.

The directors said that Lend

# Midway rise at Anglo-Alpha

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S second the warning that the improve- compared to 7.5 cents has been largest cement manufacturer, ment will not be as great as dur- declared from first-half earnings.

Anglo-Alpha Cement, has gained ing the first half as this was per share of 22 cents—adjusted. Anglo-Alpha Cement, has gained significantly from the rising demands of the construction industry. During the six months activity. to June 30, first-half operating income rose by 56.5 per cent to Ri9.6m (\$25.8m) compared to Ri2.5m in the first-half of 1979. Turnover was 33.8 per cent ahead at R85.2m (\$112.18m). compared with a turnover of R138m and operating profit of

R29.9m for the whole of 1979. The Board reports that the company's cement division was the main contributor to profit growth due to the strong upsurge in the building and construction sector. Lime production, on the other hand, operated under capacity constraints. New plant being commissioned will increase lime capacity by 27 per cent, while

in 1981 and 1982. The management expects the second-half results to be better than the first-half but there is

further capacity is to be added

construction industry

An 11.5 cents interim dividend 33.7 cents per share.

measured against a particularly for inflation—compared to 10.5 poor 1979 first-half, affected by cents. In 1979 a total dividend of 17.5 cents was declared from inflation-adjusted earnings of

# Liberty Life surges ahead

the country, has reported record results for the six months to

First-half premium income net of reinsurances rose to reached R37.4m against a 1979 first-half level of R28.4m and

Investment income R62.7m for the full 1979 year.

LIBERTY LIFE Association, man, attributes the increase in South Africa's largest publicly- new business to South Africa's owned life assurer and the improved economic environthird largest life company in ment. He adds that the better deeper market penetration after

a major marketing operation.

An interim dividend of 5 R94.8m (\$124.82m) compared the 1979 first-half is to be paid with R72.3m during the corres- from first-half earnings per ponding period of 1979 and share of 69 cents (60 cents). R147.8m for the whole of last The directors expect that, subject to no unforeseen circumstances, earnings this year will be higher than in 1979 and predict that a final dividend of Mr. Donald Gordon, the chair- 65 cents will be declared.

. This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$80,000,000

# Alcoa of Australia Limited



12% Bonds Due 1988

Payable as to 25 per cent. on 4th September, 1980 and 75 per cent. on 15th January, 1981

## **Credit Suisse First Boston Limited**

**Deutsche Bank** Aktiengesellschaft

J. Henry Schroder Wagg & Co.

The Issue Price of the Bonds will be 100 per cent. of their principal amount, payable in respect of each Bond as to U.S. \$250 on 4th September, 1980 and U.S. \$750 on 15th January, 1981.

the partly paid Bonds, to the issue of the Global Certificate and, in respect of the fully paid Bonds, to their issue, The first interest payment will be made on 15th January, 1981. Thereafter interest is payable annually on 15th January. Full particulars of the Bonds are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 5th September, 1980 from the brokers to the issue:

The Bonds have been admitted to the Official List by the Council of The Stock Exchange, subject only, in respect of

Cazenove & Co., 12 Tokenbouse Yard, London EC2R 7AN

22nd August, 1980

All of these bonds having been placed, this announcement appears as a matter of record only

# INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D.C.

8% Deutsche Mark Bonds of 1980/1990 DM 150,000,000 Private Placement

> DG BANK **Deutsche Genossenschaftsbank**

Crédit Agricole

Genossenschaftliche Zentralbank AG-Vienna

London & Continental Bankers Rabobank Nederland Limited

> Andelsbanken a/s Danebank

Swiss Volksbank

August 1980

Barclays Bank ....... 16 Bremar Holdings Ltd. 17 Brit. Bank of Mid. East 16 Brown Shipley ...... 16 Canada Perm't Trust... 17 Schlesinger Limited ... 16 %
E. S. Schwab ... 16 %
Security Trust Co. Ltd. 17 %
Standard Chartered ... 16 %
Trade Dev. Bank ... 16 %
Trustee Savings Bank 16 %
Twentieth Century Bk. 16 %
United Bank of Kuwait 16 %
Whiteaway Laidlaw ... 16 %
Williams & Glyn's ... 16 %
Wintrust Secs. Ltd. ... 16 %
Yorkshire Bank ... 16 % Canada Perm. 16 9
Cayzer Ltd. 16 9
Cedar Holdings 17 9
E Charterhouse Japhet 16 Choulartons 18 Members of the Accepting Houses Committee.

BASE LENDING RATES

ENERGY REVIEW: URANIUM ENRICHMENT IN FRANCE

# BY DAVID FISHLOCK, SCIENCE EDITOR

# Personnel director for Rank Xerox

Mr. Kenneth G. Saltrese has Confederation sation, personnel and training for RANK XEROX (UK). He has been with the company for 11 years, and has held a variety of posts in the international personnel department with staff responsibility for some 25 Rank Xerox operating companies throughout Europe, Africa, the Far East and Australia. In 1978 Mr. Saltrese was assigned for two years to Xerox Canada Inc. in Toronto as vice-president, personnel and organisation. His new appointment gives him personnel responsibility for the company's 5,000 employees throughout Great Britain.

RICHTON INTERNATIONAL, manufacturer of fashion jewelhas appointed Mr. Konrad Schluttenhofer as managing director and successor to Mr. Fred Plato, who retires on September 1. Mr. Plato will continue as executive vice chairman.

Dr. Edward Stern has been appointed to the GALLAHER TOBACCO Board. He will be director of research and will also continue with his present responsibilities in research and development.

Mr. John M. Weiner has joined the Board of SEA AND STORM SERVICE SPECIALISTS as chairman in succession to Mr. Martin C. Barraclough. Sea and Storm Service Specialists is the UK member of Sesam S.A., the French international offshore survey group.

Mr. Brian D. Keefe has been appointed personnel director and the Board of DOLLOND AND AITCHISON.

Thurbin will become joint managing director of BROWN, SHIPLEY AND CO., on September 1. Mr. S. J. C. Dick and Mr. T. M. Trowell (senior managers) will be appointed

Dr. H. O. Witte, formerly assistant general manager of joins the Board from the Not-Deutsche Bank, London branch, tingham practice of Geisthorpe has joined LANDESBANK Savidge and Simpson, in which RHEINLAND-PFALZ, Mainz, as he was a partner. He will lead a senior vice-president in charge team of architects and landof the international division.

Mr. Francis Madden has been appointed deputy managing director of EAST ANGLIAN SECURITIES HOLDINGS from October 1, and will have particular responsibility for the general banking and corporate advisory services provided by craft, and several of the Healathe group's principal subsidiary, craft management team have East Anglian Securities Trust.

until recently president of the pany,

Mr. P. J. R. Leyden and Mr. A. E. Oppenheimer have been appointed directors of DE BEERS CONSOLIDATED MINES. Mr. P. J. L. Crokaert has resigned from the Board.

Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, has been appointed a member of the BRITISH OVERSEAS TRADE BOARD. He has replaced Mr. Joe Gormley.

F. AND E. V. LINFORD, holding company of the Cannock-based Linford Building Group, has appointed Mr. John Lloyd at present the company's financial director, as deputy manage ing director, a position he will bold jointly with Mr. Ray Hunt.

Mr. L. G. Marshall retires from the Board of CAPPER NEILL on August 21, but will be retained as a consultant with special reference to City invest-ment llaison, training and public

Mr. Tony Gould has been appointed UK and Ireland branch director, INTERNATIONAL WOOL SECRE-TARIAT. He joined the IWS in 1971. and was promoted to branch manager in May 1978. The area director, Western Europe, Mr. Egon Kolsch, states that Mr. Brian Lucas will take over as area administrator from September 8. This is a new appointment. He will be based in Dusseldorf. Mr. Lucas is international marketing director, carproducts. He joined the IWS in 1965. Mr. J. J. Reed and Mr. P. J. pets, home textiles and special

> The CENTRAL ELECTRICITY GENERATING BOARD has appointed Dr. Rex Savidge as architect from September 1. He succeeds Mr. Howard Mason, who died last December. Dr. Savidge joins the Board from the Notscape architects within the Board's generation development and construction division, based at Barnwood, Gloucester.

GOEBEL of Bavaria, West Germany, has established Goebel United Kingdom. Goebel products were distributed by Healaagreed to join Goebel UK, including Mr. Graham Harding as Sir John Hedley Greenborough, general manager of the new com-

ENVIABLE IS the factory British which can claim to have sold been appointed director, organi- Industry, has joined the Board its entire production capacity sation, personnel and training of the HOGG ROBINSON under rock-hard quarantees for under rock-hard guarantees for a decade ahead. France has such a factory nearing completion in the Rhône Valley. Tricastin is a £2bn industrial investment launched in the wake of the OPEC oil crisis of late-1973, as an integral part of its own and other nations' plans to combat

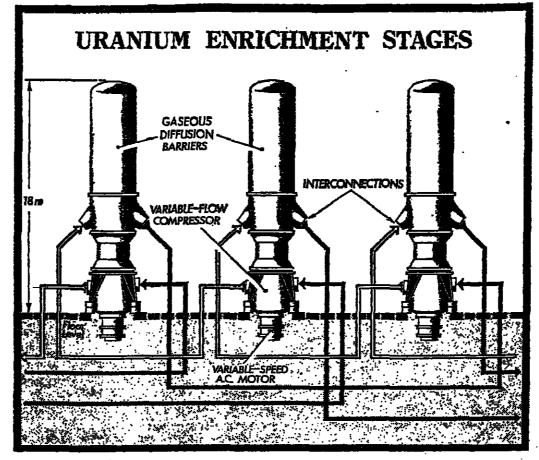
> oil scarcity with nuclear energy. Tricastin is a factory for the enrichment of uranium, the process which artificially enhances the fissile uranium-235 component of uranium ore and permits the design of smaller and cheaper nuclear reactors.

> The process of enrichment is a physical and not a chemical one, from which the feedstock emerges chemically unchanged. The simplest way of visualising it is as a method of storing energy—in this case, electricity —which the nuclear reactor can liberate again. From Tricastin steel drums of energy, stored in the chemical uranium hexafluoride, are already being dispatched to national stockpiles all over the world. By the end of next year Tricastin is expected to be operating at full' capacity-just eight years after the French Government authorised the project.

> Full capacity means that the one factory will be drawing about 3,000 MW of electricity; almost as much as London's peak demand last winter. The adjoining nuclear power station. Europe's biggest, is dwarfed by the sprawling enrichment factory.

> Inside the plant towering steel columns are being assem-bled rapidly in ranks of ten, and interconnected with ducts the diameter of gas mains. Each is an accurately made fabrication, leak-tight to contain the toxic gas which is blasted by the compressor in the base of each column from one stage to the next. Each is effectively a filter through which molecules of the lighter, desired uranium-235 isotope passes a little bit quicker than uranium-238. Electricity is needed to pump the gas in this energy-hungry process.

With no evidence of the chaos which characterises major construction projects in Britain, the 1,400 separate stages of the gaseous diffusion process for Tricastin are close to completion. Specially designed equipment deftly manoeuvres large



Success for energy-hungry process

like pieces of Meccano. base of each column, containing the compressor and its motor (see sketch), is ontically aligned and sealed into the floor of a concrete cell the size of a footeasily," the French engineers tranches of enrichment capacity struction, M. Jean-Francois close to completion (its operation is expected to begin next Board of management, says.

to be justified.

One part remains secret, however, even to those who are building Tricastin. This is the or resell it — as shareholders are entitled to do — for direct filter itself, provided as a "black box" made by a factory delivery to a third party. set up for the purpose by the French Atomic Energy Commission (CEA), and inserted unseen into the columns. So successful have they been at massproducing this remarkably reactors has obliged it to ask tricky membrane. CEA scien- for its shareholding in Eurodif tists claim, that to their chagrin to fall to 16 per cent. France they find little demand for replacement "black boxes," and will soon be forced to mothball the factory making them.

Tricastin is a multi-national sections of columns, compression venture, owned by Eurodif. a way Tricastin has remained on vides highly enriched uranium made cost-saving advances both sors and so on, into position, five-nation company: France, 42 schedule, and—inflation apart for French nuclear submarines, in the enrichment techniques

per cent; Italy, 25 per cent; -close to a budget set in 1973, Spain, 11.11 per cent; Belgium, 11.11 per cent; and Iran, 10.78 per cent. The fate of the Iranian shareholding has been in the balance since that country ball pitch housing a score of stopped construction of its stages. "The rest follows nuclear stations. But recently Iran had indicated that it plans With the third of four to restart nuclear station con-Petit, president of Eurodif's month) their confidence seems First deliveries to Iran scheduled for 1981, and M. Petit says that he hopes to settle this year whether Iran will take and FFr 23bn. stockpile the enriched uranium

> France, Belgium and Spain all have substantial nuclear power programmes. But Italy's failure to find sites for nuclear plans to take up the 9 per cent involved and thus will become the majority shareholder with 51 per cent.

M. Petit is pleased with the

at a time when the project had been both accelerated and expanded. The total cost, estimated at FFr 23bn (about £2.4bn) will have been raised in three equal portions: from cash flowing from down payments on long-term enrichment contracts, from Eurodif's own capital, and from Governmentbacked loans raised in the five nations involved.

Contracts already signed with about 1,000 suppliers now amount to virtually all the About 90 per cent of the

Tricastin's output for the first ten years of a 20-year design life has already been sold to the electricity supply industries of the five partner-nations, with the balance ordered by Japan, West Germany, and Switzerland.

Tricastin produced its first saleable product two years ago. But until the biggest stages of the process are completed next year it will continue to rely upon some of the stages in France's own enrichment factory at Pierrelatte, literally over the fence. Pierrelatte pro-

Eurodif project it is providing not only the technology and facilities for training Eurodif's

Pierrelatte itself has been control room has no dials, only operating "very satisfactorily visual display units displaying for 16 years," says M. Petit.

The big debate about gaseous diffusion has been whether, in a world in which energy prices have been rising rapidly for the past seven or eight years, and promise to continue to do so. the investment in an intrinsical energy-hungry process could be

The alternative—it emerged in the mid-1960s—was the gas centrifuge process, adopted by Britain. West Germany and Holland, which in 1970 embarked on the Urenco project. Urenco claims that it can enrich uranium to the same level - about four times the natural level-for one-tenth or less of the electricity consumed by gaseous diffusion. But the advantage is offset by the capital cost of a more intricate and more highly rated process-ing unit, the ultra-centrifuge, needed in immensely large numbers to match the capacity of a plant such as Tricastin. Tricastin has access to some of the cheapest thermal power in the world. Electricité de France, its principal customer for its enrichment, provides it with power for "about 15 centimes per kilowatt-hour (unit of electricity), says M.

Petit. A 3,700 MW nuclear station-four 925 MW pressurised water reactors—is taking shape alongside the factory. power not much above the cost of generation. If one raises an eyebrow at this situation, Eurodif's managers point out that the French Government last year decreed that everyone close to a nuclear station should have the benefit of cheaper power. They are now charged prices about 15 per cent less than in the country as a whole. Beyond this. the designers of Tricastin believe they have

for weapons and for research and in their methods of operatreactors such as its contro- ing the process. When in full versial sale to Iraq. For the operation Tricastin will employ only 1,000. It will need only 30 workers per shift to manage the process, with the help of a fleet operators, but pre-enrichment of bicycles to cover long disof feedstock before it enters tances inside the factory, such as the half-mile long concrete. Few nuclear engineers doubt corridor connecting the four any longer that France has tranches of enrichment capamade appreciable advances in city. Normally the central the technology of gaseous diffu- control room will need no more sion since the first plants of than four people, for the comthis kind were built in the U.S. puter checks every stage of the during and after World War II. process every 10 seconds. The visual display units displaying ...

digital data and curves. Through this control centre. the management can fine-tune-2 the performance of each one of its 1,400 stages of enrichment, adjusting compressor speed and thus the flow of uranium hexafluoride gas through the plant. Just by keeping the plant's behaviour very close to the ideal for the throughput required, M. Petit claims he can save a critical 5 per cent of ; power costs:

The net result of all this fine" tuning and the awesome scale of his plumbing is that Tricastin can offer enrichment at a competitive price, when there is world overcapacity.

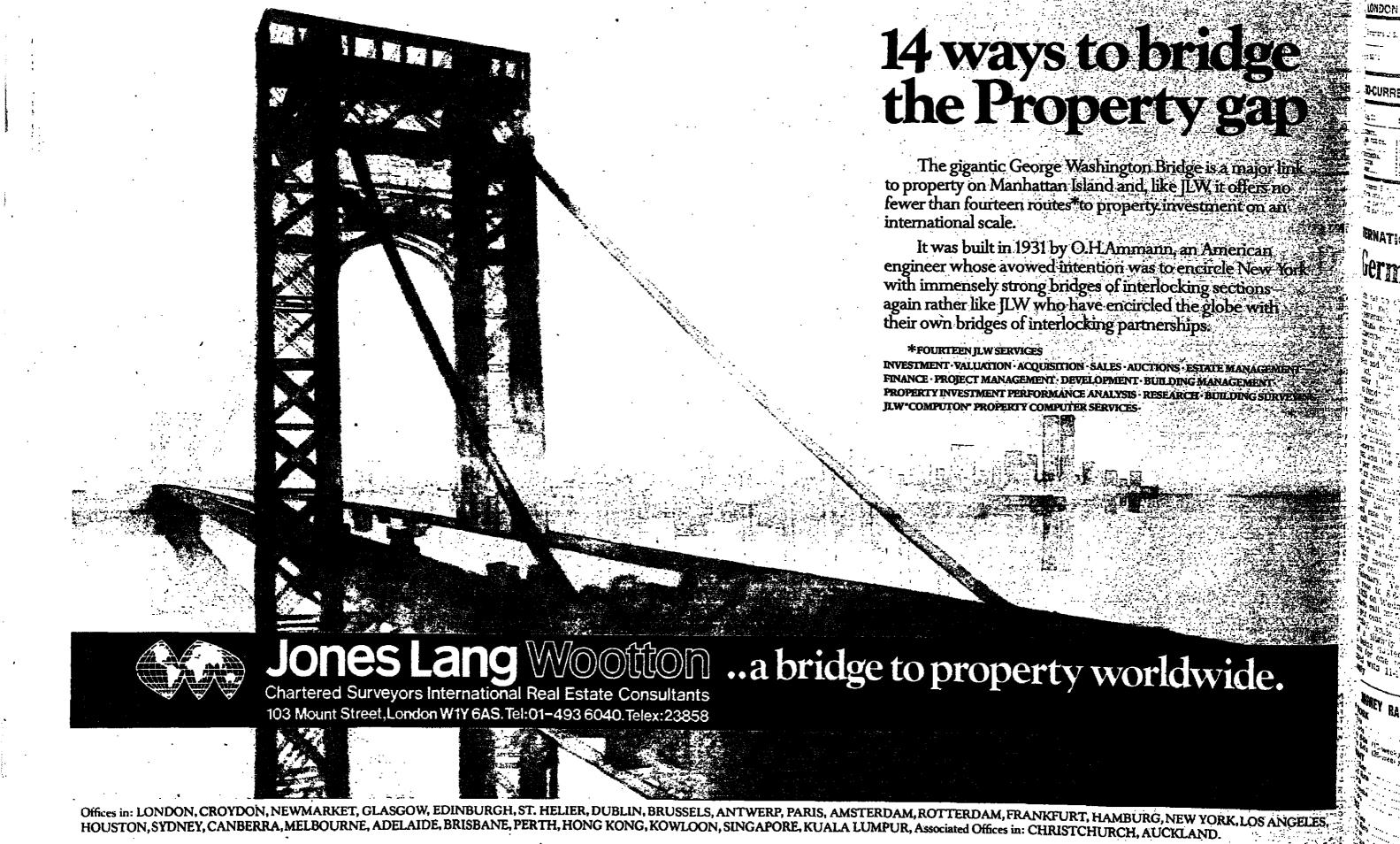
What of France's highly publicised plans to build another enrichment factory of similar size and identical design? Such a scheme, it was argued, would help to amortise investments in special facilities set up for Tricastin, such as the factory making porous membranes and . the Socatri plant adjoining Tricastin where steel columns are heavily coated with nickel toprotect them against the corerosive uranium gas. Coredif, as the second enrich-"

ment project is called, was set up in 1975 as a completely separate project. Eurodif owns 51 per cent of its shares, (the Cogema According to Electricite de another 29 per cent, and According to Electricite de another 29 per cent. But the picture for 13 centimes per for nuclear power has changed. French nuclear fuel company) for the world in general, which is installing new capacity more slowly than forecast in 1975. Coredif has been shelved.

The plant will not be started for another 5-10 years, M. Petit admits. The question then willbe whether, given further steep. rises in world energy prices, a repeat of the unquestionably energy-hungry Tricastin factory could still compete with thefast-developing gas centrifuge in world markets in the mid-

SIANCE

micer Product



The 20 1st

NCE EDIT

# **Dollar** steady

Trading in currency markets continued to be dull and unevent ful yesterday, with little in the way of fresh factors to stimulate any movement. The dollar showed a slightly firmer tendency in: early trading, but drifted easier during the afternoon to finish close to its worst level of the day. News that West Germany's key lending rates had been left unchanged helped the D-mark improve slightly, and the dollar closed at DM 1.7945 down from DM 1.7965 on Wednesday. Unchanged key lending rates and a reduced minimum reserve requirement, which were the result of the latest Bundesbank central council meeting, appeared to bave little effect on the market.

ITALIAN LIRA — Still the weakest member of the EMS, and steady for a short time after July's support package. More recently however, rumours of a possible devaluation have caused further weakness—The litra continued to lose ground in Milan. and also showed a slight improvement in terms of the Japanese yen to Y224.60 from Y284.05. On Bank of England

Sterling was slightly firmer on pean a trade weighted basis, and its rate. index finished at 75.6, up from 75.5 on Wednesday, but down from the opening calculation of 75.7: Against the dollar it opened at \$2.3695-2.3705 and eased to \$2.3655 initially, before coming back to \$2.3670 around lunchtime. During the afternoon it touched \$2.3715, but came back to finish unchanged from the opening level at \$2.3695-2.3705. a rise of just 15 points from Wednesday's close.

at 84.7.

D-MARK-One of the weaker ary System of late, and showing a tendency to ease against the dollar, following the turnaround in U.S. Interest rates. In previous months tight Bundesbank monetary policy and the sharp monetary policy and the sharp against the U.S. dollar in Tokyo

Japanese yen to Y224.60 from Y224.05. On Bank of England figures the dollar's trade weighted index was unchanged at 84.7. its maximum permitted divergence from the European Currency Unit central rate. Trading was generrate. Trading was generally light, and dealers noted a surprise surplus figure for July's balance of payments, although this did not appear to have much effect on the market. The dollar was fixed higher at L854.05 from L850.95, and sterling reached a record L2.022.20 after L2.015 on Wednesday. Within the EMS, the D-mark rose to L473.90 from L473.24 and the French franc was higher at L204.94 against L204.33 previously.

JAPANESE YEN recently, reflecting the relatively members of the European Monet- successful fight against inflation, vious months tight Bundeshank monetary policy and the sharp fall in U.S. interest rates led to a decline in the dollar against the U.S. dollar in Tokyo yesterday, with the U.S. unit closing at Y224.50, compared the German currency—The D-mark was mostly weaker in Frankfurt yesterday, losing ground to the U.S. dollar and sterling, as well as a majority of fresh news to stimulate any sterling, as well as a majority of fresh news to stimulate any of its EMS partners. The French movement.

#### **EMS EUROPEAN CURRENCY UNIT RATES**

	ECU central rates	Currency amounts against ECU August 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40,4919	+1.78	+0.63	+1.53
Dagish Krone	7.72336	. 7.81508	+1.19	+0.06	±1.64
German D-Mark	2,48208	2.63068	+1.98	+0.83	±1.125
French Franc	5.84700 -	5,85989	+0.22	-0.91	±1.3557
Dutch Guilder	2.74362	2.75425	+0.39	-0.74	±1.512
rish Punt	0.668201	0.669887	÷0.25	-0.88	±1.668
telian Lira	1157.79	1200.80	+3.71	+2.71	±4.08
Channe		WI -L			

# THE POUND SPOT AND FORWARD

Aug. 21	pread	Chase	One month	p.s.	months	7÷ p.a.	ĺ
Aug. 21 U.S. Conada Nothind. Belgium Denmark Iraland W. Ger. Portunal Spain Italy Norway France Swaden		2.3695-2.3705 2.7485-2.7495 4.624-4.634 68.06-68.15	One month  1.35-1.25c pm 1.70-1.60c pm 23-14c pm 30-20c pm 12-21ec dis 0.10-0.17p dis 31-21-pf pm 30c pm-25 dis 110-165c dis 25-28tire dis 47-24.oro pm 41-31.c pm 11-11-ore pm	p.s. 6.58 7.84 5.83 4.40 -1.88 -1.44 8.46 0.25 -9.57 -15.73 3.85 4.86	3.25-3.15 pm 4.10-4.00 pm 7½-6½ pm 70-60 pm 5½-7 dis 0.10-0.16dis 8½-7½ pm 55pm-70dis	p.a. 5.40	
Jepan Austria Ewitz.	530-535 30.10-30.25 3.90-3.95	532-533 30.13-30.18 3.914-3.924	1.55-1.20y pm 15-11gro pm 37 <sub>8</sub> -27 <sub>8</sub> c pm	3.10 5.17	8.05-7.70 pm 37-31 pm 11½-10½ pm		E

gian rate la for convertible francs. Financial franc 69.10-69.20, -month forward dollar 5.07-4 97c pm. 12-month 7.10-7.00c pm. W. Germany Aug. 20 4.25°<sub>c</sub>-4.26°<sub>4</sub> (close).

#### THE DOLLAR SPOT AND FORWARD

Aug. 21	Day's spread	Close	One month	p.a.	Three months	% p.a
UKt	2.3655-2.3715	2.3695-2.3705	1.35-1.25c pm	6 58	3.25-3,15 pr	
relandt	2.0950-2.1040	2.1010-2.1040	0.95-0.85c pm	5.15	2.60-2.50 pp	n 4.8
aned	1.1597-1.1613	1.1607-1.1610	0.01cpm-0,04dis		0.10-0.05 pm	
lethind.	1.9535-1.9602	1.9535-1.9545	0.05c pm-0.05 di		0.42-0.32 pn	
elgium	28.71-28.825	28.71-28.73	4-5c dis		8-11 dis	-1.3
enmark	5.5560-5.571D	5:5580-5.5595	312-4ore dis		94-94 die	-6.8
V. Ger.	1,7930-1,8030	1.7940-1.7950	0.24-0.20pf pm		1.11-1.06 pm	
ortugal	49,65-49,83	49.70-49.80	15-35c dis		42-92 dis	-53
DJIR	72.68-72.88	72.68-72.72				-12.1
taly	853.50-854.30	253.90-354.20				-21.0
Orway	4.8620-4.8703	4.8630-4.8645	0.75-1.25ore dis		2,30-2,80dis	
rance	4.1635-4.1750	4.1635-4.1650	0.56-0.65c dis		0.75-0.90dis	
weden	4.1845-4.1905	4,1845-4,1860	1.70-1.85pre dis		4.55-4.70dis	
gpan	224,50-225,20	224.55-224.65	0.50-0.65y dis		0.60-0,75dis	
ustria	12.731-12.74	12.73-12.74	0.70-1.30gro dis		0.25-2,00dis	
witz.	1.6530-1.6660	1.6535-1.6545	0.65-0.60c pm		2.30-2.25 pm	

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				_
CURRENCY	MOVEM	ENTS	CURRENCY	RATES

Aug. 21	Bank of England Index	Morgan Guaranty Changes%	Aug. 20	Bank rate 2	Special Drawing Rights	European Currency Unit
Sterling U.S. dollar. Canadian dollar. Austrian schilling oolgian franc. Danish kroner. Davische mark. Swiss franc. Guilder French franc. Lira Yen Based on trade we Washington agreen (Bank of England 1	156,2 115,6 106,9 154,5 197,0 126,1 101,3 52,7 127,0 Ighted Chinent Dece	mber, 1971	Sterling U.S. S. Canadian S. Austrie Sch Beiglum F Danish K D'mark Guilder French Fr. Lira Ven Norwgn, Xr. Spanish Pts. Swedish Kr. Swiss Fr.	634 12 13 712 9 912 15 8,25 9	1,31043 1,52128 16,5936 37,7011 7,28796 2,35642 2,56386 5,45630 1115,18	0,594795 1.40925 1.63925 17,9468 40,4342 7.82133 2.535002 2.75381 5.85036 1198,92 315,883 6.85275 102,474. 5,899 12 2.33400

#### OTHER CURRENCIES

	<b>i</b>	1	) .	_	ı
Aug. 21	£	8		£ Note Rates	ŀ
	 			More wates	ı
Argentina Peso	4490.4510		Austria	29,95-30,25	ı
Australia Dollar	2.0446.2.0485	0,8630:0,8635	Belaium	68,75-69,35	Ł
Brazil Cruzeiro	129.01.130.01	54,605-54,805	Denmark	13,10-13,20	ŀ
Finland Markka		3,6640 3,6650		9.82-9.88	Ł
Greek Drachma			Gormany	4.24.4.27	ľ
Hong Kong Dollar		4,9490-4,9610	italy	1975-2085	ı
Iran Rial			Japan	531-536	L
Kuwait Dinar(KD)		0.2682-0.2683	Netherlands	4.603-4.633	L
Luxembourg Frc.		28,71-28,73	Norway	11.46-11.56	ŀ
Malaysia Dollar		2.1515-2.1635	Portugal	113-120	ı
New Zealand Dir.		1,0235-1,0245		1673-176	ı
Saudi Arab, Riyal,		3.3195-3.3210	Sweden	9.86-9.96	ı
Singapore Dollar.			Switzerland	3.92-3.95	H
Sth. African Rand			United States	2.363-2.3785	П
J.A.E. Dirham		3,6885-3,6905		64-6912	H
:: IIQII \ \	0.00-0.10	U	i an work ign		П

Rate given for Argentina is free rate

## **EXCHANGE CROSS RATES**

: Aug. 20 ·	PoundSterling	V.S. Dollar	Deutschem'	k Japan'seYen	FrenchFran	e Swiss Franc	DutchGuild'	Italian Lira	Canada Dollar	Belgian Franç
Pound Starling	1.	2.570	4,255	552.5	9.868	3.923	4.633	2022.	2,749	68.10
U.S. Dollar	0.422	1.	1,795	224.7	4.164	1.655	1.955	853,2	1,160	28,73
Deutschemark	0.235	0.557	1.	125,1	2.319	0,922	1.089	475,2	0.646	16,00
Japanese Yen 1,000	1.878	4,451	7.991	1000,	18.53	7,366	8,700	3797.	5.162	127,9
French Franc 10	1.013	2.402	4.312	539.7	. 10.	3.975	4.695	2049.	2.786	69.01
Swiss Franc	0.855	0.604	1.085	135.8	2,516	1.	1.181	615.6	0.701	17,36
Dutch Guilder Hallan Lira, 1,000	0.216 0.495	0.512 1.172	0,919 2,104	114.9 263.4	2,130 4,880	0.847	2.291 -	436.6 1000.	0,593 1,360	14.70 33.68
Canadian Dollar	0.364	0.862	1,548	195,7	3.569	1.427	1.685	735.5	4,037	24,77
Belgian Franc 100	1.468	3.480	6,948	781,9	14.49	5.760	6.802	2969.		100,

FT LOND	T LONDON INTERBANK FIXING (11.00 a.m, AUGUST 21)						
₹ months	U.S. dollars	6 months U.S. dollars		The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at			
bld 107/8	offer 11	bid 11 1/2	offer 115/8	11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.			

EURO-CUR	RENCY I	NTEREST	RATES	Market Cl	osing Rat	:es}				
Aug. 21	Sterling	U.S.Dollar	Canadian Dollar	Dutch Gulider		West German Mark	French Franc	Italian Lira	Asian 5	Japanese Yen
rShort term	171 <sub>8</sub> -171 <sub>8</sub> 163 <sub>4</sub> -17 163 <sub>8</sub> -165 <sub>8</sub> 157 <sub>8</sub> -161 <sub>6</sub>	918-956 956-956 1076-1076 1076-1176 1176-1176 1176-1176	9-10 9-10 9-58-10 1014-1059 1078-1114 1116-1119	10-101 <sub>4</sub> 10-101 <sub>4</sub> 10-101 <sub>4</sub> 10-101 <sub>4</sub> 95 <sub>4</sub> -10 91 <sub>2</sub> -93 <sub>4</sub>	441 <sub>2</sub> 814-83 <sub>4</sub> 513-514 513-516 513-516 514-516	8,5 8,7 8,7 8,7 8,7 8,7 8,7 8,7 8,7 8,7 8,8 8,8	111g-115g 1114-111g 111g-115g 115g-117g 117g-181g 121g-125g	14-18 26-31 35-361 <sub>2</sub> 311 <sub>2</sub> -33 27-281 <sub>2</sub> 231 <sub>2</sub> -25	612-63 <sub>4</sub> 913-913 1058-1054 1078-11 1115-1115 1115-1115	15.15½ 15.15½ 13¼-13½ 12¼-13½ 11¼-11½ 10-10¼

One Year.... Long-term Eurodoller two years 12-12% per cent; three years 121-12% per cent; four years 121-122; per cent; five years 122-125 per c

**GOLD** 

point, before coming back around the opening of U.S.

## INTERNATIONAL MONEY MARKET

## German rates steady Firm trend Gold continued to improve in

There was no change in West
Germany's key lending rates
after yesterday's meeting of the
Bundesbank central council, but
the authorities increased market
liquidity by reducing reserve
liquidity by reducing reserve
liquidity by recording reserves
li asset ratios by 10 per cent on domestic and foreign liabilities. This will take effect from September 1, about the same September 1, about the same time as funds will be drawn out of the market by tax and social security payments, and the repayment of various official money lending facilities. There were no other changes in policy, so the discount rate remains at 7.5 per cent and the Lombard rate at 9.5 per cent. Although the at 9.5 per cent. Although the market in general had tended to rule out any change in rates, some dealers thought the authorities may have reduced the Lombard rate by half a point, since call money is still only trading around 8.65 per cent. However this is firmer than the level seen earlier this week, when call money dropped to 7.625 per cent, its lowest since last February. Yesterday call money rose to 8.68.7 per cent

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~ ....

 $V^{H} \boxtimes$ 

 $(1,1)^{\frac{1}{2}}$ 

1. 11

from 8.325 on Wednesday. In Paris call money remained at 111 per cent unchanged from Wednesday, while period rates showed a slightly firmer tendency, being quoted at 111-111 per cent for one to 12-months, compared with 11-112 per cent previously

breamonzià.		
	<del>_</del> =	
MONEY RATES		
NEW YORK		
Prime Rate	11-114	
Fad Funds	94-97	,
Tressury Bills (13-week) Tressury Bills (26-week)	9.23 9.68	
GERMANY		
Dispount Rate	7. <b>5</b>	
Overnight Rate	8.65	٠,
One month	8.65	•
Three months	8.60 8.40	
FRANCE		
Discount Rate	.9.5	,
Overnight Rate	11,25	
One month	11.1875	١
Three months	11.1875 41.1976	E
	11.1075	9
JAPAN Discount Rate	9.6	•
Call (Unconditional)	11.50	(
Bills Discount (three-month)		1

# **UK MONEY MARKET Further**

shortage

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980)

Day to day credit continued to Day to day credit continued to be in very short supply in the London money market yester-day, and the authorities gave assistance on an exceptionally large scale. This comprised small purchases of Treasury bills

and local authoritiy bills, direct from discount houses, and very large loans to 9 or 10 houses at MLR, for repayment today. The authorities also entered into another sale and repurchase another sale and reputchase agreement, involving a large number of commercial bills. The market was faced with the repayment of Wednesday's large

way above target.
In the interbank market, over-night loans opened at 17; 17; per

Gold Bullion (fine ounce) (£27034-272) (£27032-27134) (£270.481) (£273.372) **Gold Coins** (£27812-280) (£27712-27912) (£6812-6914) (£7712-7812) (£7712-7812) \$647.651 \$1604.1614 \$186.168 \$188.188 \$160-163 \$782-786 \$615-620 \$756-760

Aug. 21

In Paris the 12½ kilo bar was fixed at FFr 85,800 per kilo (\$640.11 per ounce) compared with FFr 86,800 (\$647.03) in the morning and FFr \$4,900 (\$634.20)

In Frankfurt the 124 kilo bar

was fixed at DM 37,190 per kilo (\$641.93 per ounce) against DM 36,140 (\$625.02) previously, and closed at \$644.647 compared with \$633.636 on Wednesday.

In Zurich gold finished at \$643-646 against \$633-636 previously.

Aug. 20

on Wednesday afternoon.

official lending, and an extremely large excess of revenue transfers to the Exchequer over Government disbursements. This was partly offset by banks bringing forward balances a moderate way above transfer. cent and upper to 107-17 per cent before coming back on the forecast to 174-17; per cent. It touched 174-18 per cent just before noon but settled back in the afternoon to 164-17 per cent, but late demand pushed up closing rates to around 20 per

LONDON MONEY RATES

Aug. 21 1980	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth. negotiable bonds	Finança Housa Deposits	Company Daposits		Treasury	Eligible Bank Bills ø	Fine Trade Bills #
Overnight		1634-20 	1714-1756 1714 1638-17 1619-1673 1534-16 1416-1434 1414-1438	173a-175a 171a-1754 171a-1734 17-1712 151g-15 151g-1578 145a-1473	1712 1771 1678 1678 1614 1516 15	17-174	1530	1476-1479 1412-1476	16%-16% 16%-16% 15%-15% 15%-14%	1678 1658 1618 1514

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 14-14% per cent: four years 14-14% per cent; five years 14 per cent. © Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15%-15% per cent; four-month trade

bills 15% per cent.

Approximate selling rate for one-month Treasury bills 14%, per cent: two-months 14%, 14%, per cent; three-months 14% per cent. Approximate selling rate for one-month bank bills 16%-16%, per cent; two-months 16%-16% per cent; three-months 15%-15%, per cent; one-months 16% per cent; two-months 16% per cent; and shree-months

15's per cent.
Finance Houses Base Rates (published by the Finance Houses Association) 16's per cent from August 1, 1980.
Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent.
Treasury Bills: Average tender rates of discount 14,9091 per cent.

# WORLD VALUE OF THE DOLLAR

The table balow gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, August 20, 1980. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units par one U.S. dollar except in certain specified areas. All rates quotad are indicative. They are not based on, and are not intended used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all foreign currencies, and neither Bank of America NT and SA nor the Fir Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (0)	44.00	Greenland	Danish Krone	5,5625	Papua N.G	. Kina	0,665
Albania Algeria	Dinne	4.2715 3.8325	Granada .	F Caribbaan 8	2,7025	Paraguay. Peoples D. Repub	, Guarani	137,30
Andorra	French Franc	4.1635	Guadaloupe	Local Franc U.S. S	4,1635 1,00	of Yaman	C Vemen Dines	0,3415
Andorra	Spanish Peseta	4.1635 72,72	Guatemaia	Cuettai	1.00	of Yemen	. Sol	291,02
AngolaAntigua	Kwanza	27,627	I GIMPIAR PACESU	Deen	33,5448	3 Philippines	. Ph. Peso	7,55
Anugua	Argestine Doso	2.7025 1873.00	i Guinea Recublic	Svli	18,8197 2,5555	i Pitcairn Islanda	. NZ 8	1.0246
Australia	Australian S	0,8647	Guyana	edaguese s	2,0000	Poland Portugal	. Zioty (O) Boot Fooude	31,00 49,69
Argentina Australia Austria	Schilling	12,7395	Haiti	Gourde	5,00	I POR TIMOT	. Timor Escudo	n.e
AZDres	Portug. Escudo	49.69	Monguras Repub	Lempira	2.00	Puerto Rico	U.S. \$	1,00
Bohamas	Bahamian S	1.00	Hungary	HLK. S	4,9545 32,6022	Qatar		3,678
Bahrain Balearic Isles	Dinar	0.3778	,	romit (O)	32,0022			
Bangladesh	Taka	72,72 14,8553	iceland	i. Krona	495,10	Reunion lie de la	. Franch Franc	4.1635 4.47
Parhados	Backedes 6	2,01	fceland	Ind, Rupeo	7.8126	Rwanda,	. Lou Rwanda Franc	92,84
Beiglum	E. Franc (C)	28.775	i indonesia	Ruciah	625.00	I		
Delan	B. Franc (F)	29.16	Iran	Rial	70.00	St. Christopher	. E. Caribbean Ş	2,7025
Belize	Delize S	2,00	Iraq Irish Republic,	Iraq vinar	0,2953 2,1027	St. Helena	. £ Sterling"	2,3645
Benin Bermuda	Rda S	208,175	Isrzel	Israeli Pound (4)	53.29	St. Pierre	Fr Franc	4,1635
Bhutan	Indian Rupes	1,00 7,8125	í Itaiv	lim l	· 850.60	St. Vincent	E. Carlbbean 8	2.7026
Bolivia	Bolivian Peso	25.00	Ivory Coast	C.F.A. Franc	208,175	St. Vincent Samoa American	. U.S. 6	1,00
Botswana	Pula	0,7788	Jamaica		1,7835	1 San Marino	. Italian Lira	850.60
Brazil Brit. Virgin Isles	Cruzeiro	54,705	Japan	Van	224.10	Saudi Arabia	. Saudi Riyal	3,3209 208,175
Sur Alialu isier'''	U.S. S	1,00	Jordan	Jordan Dinar	0.292	Senegal Seychelles	C. P. A. Franc	5.6376
Brunei Bulgaria	arunei è	2,1375 0,879	t .	-	-,	Sierra Leone	Leone	0,8458
Burma	Kvat	6.7271	Kampuchea	Riel (	n,a,	Singapore	Singapore 8	2,1375
Burund)	Burundi Franc	90.00	Kenya Korea (Nth)	Kenya Shuung	7.3646 0.94	I solowou islands "	, S.I. S	1 0.8647
CamerounRepub'c		208,175	Korea (Sth)	Won	604,00	j Somali Republic	. Som. Shilling	6,0241
Canada	Canadian S	1,1647	Kuwait	Kuwalt Dinar	0.2684	South Africa	. Rand	0.7594 72.72
Canary Islands	Spanish Peseta	72,72	1		•	Spanish Ports in	, rescu.	/4./A .
Cape Verde Isle	Cape V. Escudo	36,51	Lao P'pis D. Rep	Kip of Lib.	16.00	North Africa	Sp. Pesete	72.72
Cayman Islands	Cay. is. 5	0.835	Lebanon	Lecanese Pound	3,4297 0,7 <del>594</del>	Sri Lanka	S. L. Rupee	15,45
ent, at. kep	C.F.A. Franc	208,175 208,175	Liberia	Liberian S	1.00	Sudan Republic	Pound (2)	0.50
Cent. Af. Rep Chad Chile China	Chilean Pegn (A)	208,173 39.00	Libya	Libyan Dinar	0,2961	Sudan Republic	Pound (1)	0.80
China	Renminbl Yuan	1,4907	Libya Liechtenstein	Swiss Franc	1,6577	Surinam	. S, Guilcer	1.80 0.7594
::::::::::::::::::::::::::::::::::::::	GOI, PESO (Q)	47.70	Luxembourg	Lux Franc	28,775	Swaziland	, Liangeni C Krons	4.188
Comoros Islands	C.F.A. Franc	208,176	Manage	Data-a I	5.305	Sweden	Swies France	1.6577
Congo (Brazaville).	C.F.A. Franc	208,175 8,57	Macao	MG Franc	208,175	Syria	Syria Pound	3,9262
Costa Rica( Cuba	Cuban Basa	8.57 0.707	l Madeira	Portuguese Escudo!	49.69	i		
Norus	Cyprus Pound	0.3513	Malawi	Kwacha	0.8029	Talwan	New Talwan (0)	36.00
Czechoslovakia.,	Koruna (O)	5,50	Malaysia	Ringgit	2,155	Tanzania	lan Shuing	8,1898 20,50
Jem. Rep.S'oTome			Maidive Islands	Mai Rupee	3.93	Togo Republic	C.F.A Franc	208,175
& Principe	S. Tome Dobra	34.4978	Mali Republic	Mail Franc	416,36	i Tonga islands.	Po'anga	0.8647
Denmark	Danish Krone	5,5625	Martinique	MAITESE POUNG	0.3426 4.1635	Trinidad & Tob	Trin. & Tob. \$	2,4068
Djibouti Rp. of	Diponti Franc	173,398 2,7025	Mauritania	Otopuiva	41.635	i iunisia	Tunisian Diner	0.4131
Dominica Dominican Repub.	Domin'on Pesa	1.00	Mauritius	M. Rupea	7,6238	Turkey Turks & Caicos	Lira .	80.00
			Mexico	Mexican Peso	23.04	Tuvalu	Australian 4	1,00 0,8647
Ecuador	50124 (3)	28.10 0.69	Miquelon	French Franc	4.1635	i .		•
gypt I Salvador(	Colon	2.50	Monaco	French Franc	4.1635	Uganda	ug. Shilling	7,3646
quatorial Guinea	Ekuale	72.72	Mongolia Montserrat	F Opribbeen S	3,3655 2,7025	United Arab Emir.	C Storings	3.69 2.3645
thiopia!	Birr (OI	2,0855	Morocco	Dirham	3,865	United Kingdom Upper Volta	C F A France	208.175
aroe islands		5.5625	Mozambique	Moz. Escudo	28,3358	( OLUGUAY	urug, Peso	9,15
alkland Islands I	Falkland Is. £4	2.3645	I	•	_	U.S.S.R	Rouble	0,637
iji islands i	Fili S	0.8103	Namibia Nauru is	Rang	0.7594 0.8 <del>64</del> 7	l	A	0.8647
inland	Markka	3,6675	Nepsi .	Manulesa Dunas	12.00	Vanuatu Vanauta"	AUST, P	67,2834
rance	French Franc	4,1635	Netherlands NetherlandAntilles	Dutch Guilder	1.956	Vatican	thalian i ira	850.60
rench C'ty in Af (	J.F.A. Franc	208,175	NetherlandAntilles	Antillian Guild	1,80	l Venezuela	Bolivar	4.2937
rench Guiana 1 rench Pacific Is (	S.F.P. Franc	4.1635 73.5885	New 4thanc	NZ 8 I	1,0246	Vietnam N Virgin Islands U.S.	Dong (O)	2.18
iabon(		208.175	Nicaragua	Cordoba	10.00	Virgin Islands U.S.	U.S. \$	1,00
ambia	Dalasi Dalasi	1,6917	Niger Republic	U.F.A. FRANC	208.175		0	
Sermany (East) (	Ostmark (O)	1,7985	Nigeria Norway	Name's Keeps	0.5443 4.863	Western Samoa		0.9157
ermany (West)	Deutschemark	1,7985		HO1 42 A K10119	+.003	Yemen		4.57
	Cedi i	2.75	Oman,Sultanate of	Rial Omani I	0.3456	Yugoslavia,	New Y. Dinar	27,50
inana(					100	t		
inana Sibraltar	ound*	2.3645	ł			Zaire Republic	Zgire Zgire i	1,9942
inana(	Kiribati .	2.3645 0.8647 42,875	Pakistan Panama	Pkst. Rupee (	9,91 1.00	Zaire Republic Zambia Zimbabwe	Kwacha	1.9942 0.7809 0.6935

n.e. Not available. \* U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.

—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports

(3) Egypt—A different rate applies to certain transactions with non-IMF countries.

(4) Israeli Government are changing their currency to Shekels. However dealers are currently quoting in pounds.

(5) New Hebrides Independence 30/7/80 now named Vanuatu.

## **BUSINESSES WANTED**

#### FOOD PROCESSING PLANT REOUIRED FOR OUTRIGHT **PURCHASE**

Would consider purchase of existing company-profitability

Location: Yorks., Lancs., East and West Midlands. Negotiations carried out rapidly in strict confidence.

> Please write to LOVELL WHITE & KING, 21 Holborn Viaduct, Loudon ECIA 2DY.

# WARTED

## PROFITABLE BUSINESSES

Private company wishes to purchase well run businesses showing profits of £50,000/£200,000 per annum. Existing management to remain. Details in confidence to: SELECTIVE INVESTMENTS LTD. 21 Section Court Road, Sutton, Surrey SM1 4SZ, for the attention of Mr. Raymond Bloye.

# COMPANY **ACQUISITIONS**

Offshore investment company seeks acquisitions of companies with substantial property or fixed or liquid assets. Straight cash deals preferred with no retained minority holdings, no share for share exchanges and no continuing directorships.

Replies in strictest confidence to The Chairmen, Box G6401, Financial Times, 10 Cennon Street, EC4P 4BY.

#### Public Property Co. seeks acquisition of PRIVATE PROPERTY Co.

Write Box G6451, Financial Times, 10 Cannon Street, EC4P 4BY.

**BUSINESS** 

# REQUIRED

Recail, Manufacturing, Distribu-tion, Catering, etc. £30,000-£200,000. Area: South Yorkshire Write Box G6454, Financial Times, 10 Cennon Street, EC4P 4BY.

SHOPFITTERS/JOINERY MANUFACTURERS/SMALL BUILDING CONTRACTORS Financially sound market leader in this industry seeks to acquire a majority shareholding in a similar company. Any location considered. All replies treated in strictest

GEORGE BARLOW & SONS LTD. London Road. Shelld Tel: 0742 58331/4

# Reference: Mr. A. C. Swan

#### "European **Forwarding** + Transportation Group

with over 50 own offices on the Continent and abroad looking for middle large Airfreight Forwarding Company to be acquired. Also interested in over 50% finencial participations. The Group already have airfreight interest in great many industrial key centres outside UK.

10 Cannon Street, EC4P 4BY.

#### Public Company interested in acquiring, by exchange

of shares and/or cash PRIVATE COMPANIES

with minimum net profit of £50,000 per annum. Continuity of management is essential. Principals only, reply in strictest confidence, to:

Box G6439, Financial Times, 10 Cannon Street, EC4P 4BY

#### OFFSHORE PRIVATE COMPANY

interested in acquiring whole or majority shareholding in medium sized companies with immediate cash flow problems and/or with long-term fixed loan capital. Write Box G6154, Financial Times, 10 Cannon Street, EC4P 4BY.

## **FOOD COMPANY**

Old-established speciality food producer is seeking to purchase a similar company with surplus production capacity — preferably with a vacuum canning line.

Replies in confidence to Box G6456, Financial Times, 10 Cannon Street, EC4P 4BY.

# CHALLENGE CORPORATION

LIMITED

Preliminary unaudited results for the year ended 30 June 1980 1979 NZ\$000's GROUP TRADING INCOME (including dividends from associated companies) 21.545 22,012 LESS Taxation .... 7.973 9,284 Trading Income After Tax ...... Profit arising from disposal of 13,572 12,728 surplus assets ..... 7,033 3,067 Net Tax Paid Income ..... 20,605 15,795 LESS Amounts attributable to minority interests 150 42 Group Share of Tax Paid Income 20,455 15,753 Group Share of Profits of Associated Companies (net of dividends received) ...... 2,857 295 Net Income Attributable to Group
LESS Prior period adjustment (reduction of retained earnings 23,312 16,048 of Haywrights Limited) ....... 835 22,477 16,048 APPROPRIATIONS Interim Ordinary Dividend ......
Final Ordinary Dividend ...... 2.554 1,826 2,738 6,568 5,160 10,749 4,564 2,387 9,097 To capital reserves ...... Retained profits ..... 22,477 16.C48

Group income has increased by 40 per cent and represents earnings per share of 61 cents.

In commenting on the results, the Chairman referred to the In commenting on the results, the Chairman referred to the considerable changes in the composition of the Group resulting from the acquisition of the Broadlands Dominion Group Ltd. and a 28 per cent shareholding in Tasman Pulp and Paper Co. Ltd. The increase of 7 per cent in trading income after tax reflected the significant increase in funding costs related to these acquisitions. Only 6 months trading of Broadlands and 3 months share of profits in Tasman Pulp and Paper have been brought into account and consequently the full effect of these acquisitions will not be evident until next year.

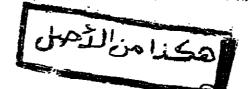
The rural sector enjoyed a favourable season and again achieved good results. Integration of Broadlands with the existing companies within the finance sector has been completed and the contribution from this sector has increased substantially. Wrightears, the motor retailing subsidiary, and Toyota (NZ) Ltd., the associated motor assembly and distribution company, both achieved increased cales and market share with much improved results. The manufacturing and complete forces and improved and sections and complete forces. facturing and engineering sector achieved good growth with excellent results from Macewans Machinery Ltd. and D. H. Davies

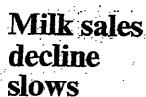
Profits arising from the sale of surplus assets more than doubled, again allowing a tax-free benefit to New Zealand resident shareholders. In addition to profits from sales of property, substantial capital profits were earned from divestments particularly of London Dairy Division, The Australian Bloodstock Division and Diners Club (NZ) Ltd.

Group liquidity is strong, benefiting from NZ\$17.8 million raised through the May and June debenture issues and NZ\$14.9 million raised through the issue of 16 per cent Specified Preference

The directors recommend a final ordinary dividend of 11 cents per share which will make a total for the year of IB cents compared with 15 cents last year, an increase of 20 per cent. The dividend will be payable on 29th October 1980 to ordinary shareholders registered on 7th October 1980. The Annual General Meeting will be held on 29th October 1980.

#### Further early Wall St. rally **NEW YORK** Stock Golumbia Gas.... 39:4 39:1 Columbia Piet.... 31:2 31 Combined Int.... 19:2 20:4 Genbustn. Eng... 69 69:8 Combustn. Equip 9:4 9:4 Commust Edison... 20:3 20:4 Comm. Satellie... 37: 37:6 Compugraphic... 22:3 25 Mesa Petroleum 5459 MGM Schlitz Brow J. 774 Schlumberger. 135 2 SCM 304 Scott Paper 18:2 51:2 1374 371:2 2014 15:3 18:4 52:1 Ct. All. Pac. Tea Gt. Basins Pet... Gt.Nthn,Nekoosa Gt.West Financi, ACF Industries... yesterday morning the Toronto to HK\$18.10 and Overseas Trust together with a set of encourag-Composite index rising 15.3 to Bank also 30 cents to HK\$7.10. ing profits results and an over-night rise in the international Minnesota MM... Missouri Pac..... Mobil.... dominating investor attention. Wall Street continued Wednes-ASA AVX Corp...... Abbotts Labs.... Acme Clove... Adobe Oil & Gas. Modern Merche Germany gold price, helped to send shares day's afternoon rally in very 88.3 to 5.061.4 and Oil and Gas heavy early trading yesterday. 36.4 to 4.905.5. In Montreal, Mohasoo .. .. ... Monarch M/T .... Bourse prices generally railied mainly higher yesterday. The Comp. Science... 23% Cone Mills.... 41½ Cone Gen Ins... 40% following the weak performance carlier in the week. The Comrecording widespread gains at Utilities advanced 6.51 to 274.77. Actna Life & Gas Ahmanson /H.F. Air Prod & Chem Morgan (JP)..... Motorola ...... mid-session. The Dow Jones Industrial Average was 5.37 firmer at 950.68 at 1 pm, while the NYSE All Common Index advanced 66 cents mersbank index picked up 5.1 of 974.03, while the Industrials Hong Kong sub-group index rose 6.71 to Murphy (GC)...... Murphy Oil....... Nabisco...... to 736.0. The market moved ahead The market was buoyed both 728.40 and the Metals and Alberto-Culv...... Albertson's...... Alcan Aluminium. Nabisco...... 25 24.3 Nalco Chem. ..... 4814 42 sharply in extremely heavy dealings, leaving the Hang Song index 26.62 higher at a new clos-Minerals index 49.96 to 6,295.28. by stronger overnight securities markets on Wall Street as well Alcan Aluminium Alco Standard .... 31 Alegheny Ludm... 3254 Alled Chemical... 5214 Stores..... 2415 to \$71.67 and rises outpaced Market loader BHP jumped 50 declines by a three-to-one ratio. Turnover swelled to 35.55m shares from Wednesday's 1 pm NapcoIndustries, 20% Nat. Can..... 20% Simplicity Patt... 9% 9% ConsumerPower Conti Air Lines... cents to A\$16.00, while Brambles. by expectations that the Bundes-Nat. Can..... Nat. Detroit. ing seven-year peak of 1,195.04. Turnover on the four exchanges bank would lower the minimum on its higher dividend and Bundesbank was lowering the Comairo put on 6 cents to A\$2.60. Comairo put on 6 cents to A\$6.00 requirement by 10 per cent came and Associated Puts 10 cents to A\$6.00 in the closing minutes. Horshey..... figure of 27.28m. Analysts said the selling early expanded to HK\$519.41m from Wednesday's total of Nat. Gypsum. ... Nat. Medical Ent Nat. Semicductr. 35:2 Nat. Semicductr. 35:2 Nat. Service Ind. 20 Nat. Standard. 13:2 Nat. Steel. 29:4 Nat. Steel. 15:4 this week that resulted from rising interest rates appeared to in the closing minutes of the A\$2.20. -Cooper inds..... Coors Adolph ... Copeland ..... Copperweld ..... Renewed buying interest, 29 . 54 : 15 · have run its course, and demand was buoyed by speculative interest in take-over issues. How-Uranium stocks continued to stimulated by news that Sir Y. K. Pao is taking over as chairman Banks were prime beneficiaries attract attention in response to of this anticipated Bundesbank move. Commerzbank and Dresd-sales by the Ranger project to ever, interest rates on Bonds were rising following Federal Japan and Germany. Gains in-cluded Peko and Queensland ner Bank gained about DM4 apiece, while Deutsche Bank rose Cox Broadcast's 47: Crane 38 Crocker Nat. 34: Crown Zell 51 Cummins Eng. 33: Curtiss-Wright 25: Damon 91: Dana 24: Data Gen 82: Dayton-Hudson 48: Reserve action in the Govern-ment securities market. Analysts Mines, up 20 cents each to A\$9.20 Hong DM2.50. and A\$9.00 respectively, and Kathleen Investments, which added 30 cents at A\$7.00. 1100 said the development could undercut stock prices. Kong Tokvo Market ended with an easier Active Tesoro Petroleum rose Among Gold shares, Hill 50 St'd Brds Paint 271: St'd Oil C'lifornia 75:4 Std Oil C'lifornia 75:4 Std Oil Indiana 58:9 Std Oil Onto 48 Stanley Wiss 181s Stauffer Chem. 20:9 Sterling Drug. 22:4 Stevens JP. 16:3 Stokely Van K. 24:2 Sun Co 36:4 Sun Co 36:4 Sun Co 36:4 bias after an active business, with 2} to \$30 despite rejecting takegained 10 cents to 90 cents and many recently strong Blue Chips over approaches from Diamond Shamrock, which has acquired Humana. .. ....... Hunt (Philip A..... Norfolk & Westd 401-Nth. Am. Coal... 37 Nth. Am. !Philips 30% Nthn. State Pwr. 231-Northgate Exp. 914 Poseidon 40 cents to A\$4.90. 40 381<sub>1</sub> 301<sub>3</sub> 231<sub>2</sub> western Mining rose 8 cents to A\$6.24. CRA 12 cents to A\$6.22. slipped back 25.07 to 6.853.69 and the Tokyo SE index shed 1.20 to 477.18. Volume came to 410m shares (300m). Light Floribal. and Populars down on late profit-Western Mining rose 8 cents to Hutton (EF).... 630,000 Tesoro shares. Shamrock put on 1 to \$32. Recognition Equipment, which Am. Standard..... 673a Am. Stores...... Am. Tel. & Tel.... has been rising sharply in recent IU in\* ... Idea Basic Ind... Idea Toy ... ICI ADR.... sessions rained \$1 to \$18 after Light Electricals came back Among Oils, Hartogen moved ported a sharp earnings improve-ment on Monday. Barry Wright which raised the Imp. Corp. Amer INCO. ..... sharply, TDK Electronic receding ahead 20 cents to A\$5.20 on news Y80 to Y2,650 and Ploneer that the group has doubled its INCO. 235; Ingersoli Rand 60'4 Inland Steel 50'4 Intel 87'2 Interlake 28'2 InterNorth 3159 IBM 66'3 YSO to Y2,650 and Pioneer Electronic Y40 to Y2,180. Green Anchor Hockg.... Anheuser-Bh ...... Arcata 185 285 245 345 327 dividend and announced a two-for-one stock split, jumped 24 to Kincora gas field reserve esti-Ogdon. 39-9 Ogdon. 241; Ogdov - Math. 241; Ohio Edison . 13:; Okia, Nat. Gas. 2914 Ojin. 21 Omark 42s; 1980 Southwest Forest Industries put on ; to \$203. E. F. Hutton, which picked up i to \$347, has acquired 10 per cent of Forest as an investment. THE AMERICA: 31 % 31 % 35 4 32 % Cross retreated Y60 to Y1,930 in Pharmaceuticals, while Trading House Mitsubishi lost Y11 to Y704. mates. Santos improved 20 cents to A\$14.00 in response to a 67.5 per cent interim profits rise. 7054 1534 6614 4112 et 2752 Armstrong CK... 175, 175¢ Asamera Oil... 187; 184; Asarco... 40 365; Ashland Oil... 355;2 365; Assd D Goods... 24 x; 247; Atlantic Rich... 461; 466 Auto.Data Prg... 464; 467; Avco... 265; 27; Avery Intl... 211;2 211; Crusader Oil gained 15 cents to However, Steels and Heavy Electricals improved on buying A\$4.25. Outboard Marine: 1513 Overseas Ship ... 3231 by foreign investors and Japanese institutions. Hitachi rose Y6 to Y313, Toshiba Y3 to Y208 and Nippon Steel Y2 to Owens Corning. 28% Owens Illinois... 25½ PHM Group... 25½ PPG Inds .... 35½ Pabst Brewing... 13 Pac. Gas & Elect 23½ Pac. Lighting... 20½ Pac. Lumber... 52% Texas Comm. Bk 54 Texas Eastern... 693, Texas Gas Trn... 2912 Texas Instruits... 120 Texas Oil & Gas... 5212 Texas Utilities... 173 Texasguif.... 42 Textron... 2812 Johannesburg THE AMERICAN SE Market Value Index gained 4.17 more to 328.83 at 1 pm. Volume 5.49m Gold issues gained fresh ground in a fair business, but HK Wharf shot ahead to HK\$90.00 on the news before ending still a considerable HK\$9.50 up on balance at closed below the best in places, moving with the Bullion price. Y141. shares (3.56m). 21 521, Constructions firmed on specu-Overseas interest was lacking, however. | Textron | 2812 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 | 2816 lative buying on reports that the Government would increase public works spending. Eastern Airlines. 1014 Eastern Gas & F. 22 Eastman Kodak. 6414 Canada Cheung Kong added 70 cents Stock prices mainly moved at HKS23.10, HK Land 40 cents further ahead in a large turnover at HKS15.50, HK Bank 30 cents Pac. Tel & Yel. .... 1531 Palm Beach. ..... 1978 13½ 195; Heavyweights were up to 175 cents higher, as in West Dries, R108.00, and Western Holdings, R96.75. Medium and Light Pan Am Air ...... Pan Hand. Pipe.. at HK\$18.30 and Hutchison Whampoa 20 cents at HK\$12.20. Australia Eckerd Jack Electronic Data.. Elect. Memories. Closing prices for North Outside the leaders, Sun Hung about the new Federal Budget, headway, but Union Steel lost Kai Properties advanced 30 cents released on Tuesday night, 5 cents to R1.65 Increasing investor confidence Penney JC...... America were not available for this edition. Kaiser Steel... CANADA BELGIUM (continued) I HOLLAND **AUSTRALIA** IAPAN (continued) Aug. 21 Frs. -Aug. 21 | Price + or Aug. Aug. 20 19 Aug. 21 AUG. 21 Frice + or Aug. 21 Aust. \$ Fis. - ANZ Group 4.90 Anold 73.90 +1.20 Ahold 74.90x +0.10 AkZO 22.60 -0.50 Ampol Pet 1.40 AKZO 307 Amev 4.90 Aug. 21.00 AMEV 89 +0.30 AMRO 66.50 +0.50 Aug. Pulp Pap. 2.20 AMEV 66.50 +0.50 Aug. Group 1.10 Bredero Cert. 186.50 +0.50 Aug. Pulp Pap. 2.20 Bredero Cert. 186.50 +0.77 Bos Kalls 95 +0.50 Aug. Group 2.20 Buehrmann-Tat 66.20 -0.78 Buehrmann-Tat 66.20 -0.48 Caland Hidgs 24.40 -0.18 Elsevier 208 -6 Ennia 154.8 -0.28 Elsevier 208 -6 Ennia 154.8 -0.28 Bord Hidgs 2.45 Euro Com Tet. 66.5 Biv Metal 1.90 Euro Com Tet. 66.5 Biv Metal 2.90 Helneken 55.70 -0.80 Hoogovens 15.50 -0.87 Hunter Douglas 15.60 -0.88 Hunter Douglas 15.60 -0.88 Birunswick Oil 0.30 Petrofina ...... 4.930 Royale Beige ..... 5.760 Soc Gen Banq ... 2.500 +90 +10 -55 -12 +10 -25 -10 372 435 Kubota ... .. 21 .. 147, .. 5858 Abitibi ...... Agnico Eagle,... Alcan Alumn.... 24% 39 70 26 11% 454 Royale Beige ..... Soc Gen Banq ... Soc Gen Peige.... Sofina +0.21 Kumagai..... +0.21 Kyoto Ceramic... 1,416 Soc een Feige. 1.415 - 1.5 Sofina ... 3.380 + 10 Solvay ... 2.560 - 25 Traction Elect. 2.550 - 21 UCB ... 1.350 ... Union Miniera. 740 - 3 Visilia Mont ... 1.310 + 2 +0.16 Maeda Cons... +0.01 Makita ..... Sive Bell.... Boeing.... .... Boise Cascade .. Pitney-Bow Pittston ... Borden ..... Borg-Warner .. ... Marui ....... Matsushita -Beil Canada ....... 195<sub>8</sub> | 195<sub>4</sub> Bow Valley ....... 245<sub>8</sub> | 251<sub>4</sub> BP Canada ....... 441<sub>2</sub> i 441<sub>2</sub> Briggs Stratn... 26% Bristol-Myers.... 45% Potlatch 5712 Prentice-Hall 2338 Procter Gamble 7918 Pub. Serv. E & G. 1912 Lear Siegler ... 27/3 27 Leaseway Trans. 503 1 3011 Lenox ... 2813 275 Levitz Furntr ... 27 Levitz Furntr ... 27 Libby Owens Fd. 225, 225, 115 Libby Owens Fd. 225, 225, 115 Libby Owens Fd. 225, 255 Lincoln Nat. 4259 4311 Litton Inds. 60 5912 Lockheed ... 3112 3132 Lone Star Inds. 3312 3132 Lone Star Inds. 3312 3312 Lone Star Inds. 3312 305 Louisiana Land. 52 4 431 Louisiana Pac. 2771 28 Louisiana Pac. 2771 28 Lowenstein. 1073 1078 Lowenstein. 1073 1078 Lubrizol ... 7359 7218 Lucky Strs. 1776 17 Macke. 1214 1214 DENMARK Brascan A 2938 Brascan A 2938 Brinco 832 B.C. Forest 16 Cadillac Fairy 2454 Camflo Mines 3258 Brockway Glass. Ist Bank System. 363 Ist Charter Fin... 16 Pub. S. Indiana... 203; Pullman....... 361; Purex ........ 161; Purolator....... 275; Brown Forman B Brown Grp...... Brown & Sharp... Browng Ferris. Purex 16it Purolator 27it Quaker Oats 30 Quanex 245g Questor 6it Raiston Purina 11it Ramada Inns 77a Rank Org ADR 4 Raytheon 86it Reading Bates 55it Redman Inds 10it Reeves Bross 31it Ralchold Chem 12it 1st Chicago 15 14% 1 stCity Bank Tox 451; 451; 1st Init Banc 411; 423; 1st Init Banc 411; 423; 1st Mississippi 451; 44 1st Nat. Boston 535; 535; 1st Pe nn 55; 55; Fleetwood Ent 9 9 Flexi-Van 177; 181; Florida Pwr & L 265; 265; Ford Motor 281; 275; Forsmost Mck 291; 291; Foster Wheeler 381; 377; Foster Wheeler 481; 377; Freeport Min 563; 54 Fruehaut 27 GAF 111; 115; GATX 521; Can Packers | 315, | 32 Can Perm Mtg | 1814 | 18 Can Trustco | 2814 | 361<sub>2</sub> Can Imp Bank | 281<sub>3</sub> | 281<sub>8</sub> Cdn Inds | 273<sub>4</sub> | 28 Cdn Pacific | 49 | 451<sub>4</sub> Can P, Ent | 281<sub>2</sub> | 251<sub>2</sub> Cdn Tree | 251<sub>2</sub> | 251<sub>2</sub> Cherokee Res | 11 | 111<sub>4</sub> Bucyrus-Erie 2114 ! 2114 Burlington Ind 2113 2113 Burlington Nrhn 4114 4113 Burnoy 40 3812 Burroughs 6712 67 US Steel 224 224 224 US Surgical 3814 3814 US Tobacco. 3514 3514 US Trust 2212 2215 US Trust 2214 495 485 Utd Telecomma. 1814 18 Upjohn 585 5814 VF. 2712 273 Varian Assocs. 2914 285 Vernitron 1275 12 Do. Opts..... Cookburn Cemt. Coles (G.J.)..... Ommeren (Van) 28.00 -0.10 | Comatico. 6.00 | Pakhoed. 42.70 -0.80 | Containers 3.38 | Philipps. 17.70 -0.10 | Containers 3.38 | Rijn-Scheide. 48.10 -0.10 | Cottainers 3.38 | Royal Dutch 104.6 | Cottainers 3.27 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 174.3 +2.50 | Elder Smith GM 3.06 | Royal Dutch 275.5 +2.5 | Elder Smith GM 3.06 | Royal Dutch 275.5 +2.5 | Royal Dutc Nord Kabel...... Nord Kabel..... Novo Ind..... Papirfabrikker... Privatbanken.... CPC Intl... 7056 57 311: Reaves Bros. ..... 31% Reichhold Chem. 1214 Reliance Group. 654 Campbell Red L. 591s Campbell Soup. 51 Campbell Tagg. 223 Canal Randolph. 183 357 149 406 286 932 Nisshin Flour......! Nisshin Steel......! Chieftoin 2351 2251 Comingo 5512 5212 Cons Bathst A 1615 1615 Coseka Res. 2045 2054 Costain 91 959 Daon Devel 1014 1014 Denison Mines 5112 513 Dome Mines 12615 12115 Dome Petroleum 8653 8253 +0.25 Republic Steel. 23<sup>1</sup>; Rep of Texas. 28<sup>5</sup>; Resch Cottrell. 18<sup>1</sup>; Resch Steel 18<sup>1</sup>; Revco 'DS: 33 Revco 'DS: 51<sup>2</sup>; Revco . 51<sup>2</sup>; Rexon. 51<sup>2</sup>; Rexon. 177; Revion. 177; Revion. 40<sup>1</sup>; Revnord. 40<sup>1</sup>; 12 lg 13 lg 46 lg 21 lg 43 lg 19 lg -0,05 Olympus .... Orient ..... Pioneer .... Can Pacific..... Carlisle Corp.... +0.02 Carnation.... ..... Carp Tech...... Carter Hawley .. 201: Caterpillar .... 571: 20 573; FRANCE Dom Bridge . . : 18% - 18% Celanese Gorp ... 557e Centex ... 42 Central & SW ... 131g Central Soya ... 16 Central Tel Util ... 267e Certain-teed ... 157g Cesana Arroraft ... 197e Champ Intl. ... 271e Champ Sp Plug ... 97e Charter Cc ... 2079 Chasse Mannhatn Chemical NY ... 411e Reynolds (RJ) Reynolds Mtls. Rich- Merrell. Rich- Merrell. Rich- Merrell. Rich Ald. Robadway Exps. Robins (AH). Rochester Gas. Rockwell Intl. Rohm & Haas Rollins. Roim. Roper Corp\* Warner Comms... Warner-Lambt... Washington Post Waste Mangt.... Weis Mkts.... Wells Fargo ..... Western Arrines. 773 Wester Bancorp. 2813 Wester Nth-Ame. 6712 Westinghouse ... 26 Westvaco ....... 3354 Weyerhaeuser, 37 +0.02 +0.03 +0.02 7,50 80,900 -1,859 22,900 -150 569,0 -0,50 14,200 +220 8,500 +1,880 1,620 +90 65 +5 2,821 +151 26,700 +400 338 150 +1 2,190 -76 2,510 +57 799 +19 751 -1 558 +3 17,300 -500 14,000 -570 Chemical NY. Wheelabratr F ... 4911 Wheeling Pitts ... 1811 Whirlpool ....... 2014 White Consoltd... 2612 Wheeling Pitts 181; White/poel 201; White Corsolid 26; White Motor 47; White Motor 47; White Motor 57; Whitaker 28; Wickes 155; Williams Co 355; Winne Dago 25; Woolworth 271; Wrigley 341; Wryy 121; Xerox 60 Yellow Frt Sys 161; Zapatz 481; Zenith Rad 155; Otter Expl. 1.55 Pancon. 7.30 Pan Pacific. 0.31 Pioneer Cone. 2.32 Queen Marg't G. 0.47 Rockitt & Coin 2.50 Southland M'n's 0.75 Spargos Expl. 0.70 Thos Natwide. 2.49 Utah Mining. 5.40 Vallant Consti. 1.30xr Western Mining. 6.24 Woodside Petrol. 3.01 Woolworths. 1.72 Wormald Inti. 4.15 Russell Stvr. 15: Ryon Homes 25: Ryder System. 25: SFR Companies. 25: SAFE Contrology 23: Safeco 39: Safeway Stores 4: St. Louis-San F. 79: St. Louis-San F. 79: St. Pair: Cos 36: St. Regis Paper. 31: Santa Fe Inds. 60: Santa Fe Inds. 46: Saul Invest 10 Saxon Inds. 5: Schering Pio 421: CSF (Thomson)... Cie Bancaire..... Cie Gen Eaux.... Cincinnati Mil... ..... 35 .... 341, ... 91, 527g 541g 97g 91g Clorox ... Cluett Peaby. Global Marine.... Goodrich : SF:..... Goodyear Tire.... Gould Coca Cola.... Coca Eti. NY Meriand Explor.. 9% Mitel Corp...... 3114 Moore Corp...... 3614 Mountain State.. 1214 Gen. Occidental 349 | -5 imetal 89,2 | +1 Lafarge 282d -1 L'Oreal 715 -15 SINGAPORE NORWAY Boustead Bhd... 4.40 | -0.02 Cold Storage...... 5.70 | +0.06 DBS......... 5.50 | +0.10 Fraser & Negve... 6.05 HONG KONG DBS Fraser & Neave Haw Par Inchoape Bhd Mainy Banking Malay Brew OGBC Pan Elect Sime Darby Straits Trdg UOB Indices Aug. 21 Price + or **NEW YORK** -- DOM 10MES Perrier Peugeot-Cit..... Poclain Radiotech ..... 23.10 +0.78 Since Cm oil t **-5** High Low 405 | KALIA Sydney All Ord. | 1956 59 - 974,88 -963,46 -962,17 -992,51 - 974,53 - 21 % - 763,00 - 121) Metal & Minris, | 1356-59 -6295,28 6245,52 6257,35 6250,34 - 5920,55 - 16 21 - 4681,26 (2915 -SOUTH AFRICA Transport . \$20,19 \$17,85 \$17,85 \$21,55 \$20,23 \$15,76 \$21,57 \$21,57 \$25,59 \$21,57 \$25,59 \$21,57 \$25,59 \$21,57 \$25,59 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$21,57 \$25,50 \$25, 67.16 67.55 65.59 67.51 53.47 7 t. 65.59 (19/8) Aug. 21 BELGIUM TradingVol 000'4: 42,550 41,952 41,920 47,780 47,780 44,550 — Copenhagen SE (1 1-75) 85,44 85,59 85,40 35,20 87,20 - 17-8: --<u>-</u>2 Day's high 348.98 low 934.47 JAPAN Aug. B Aug. 1 Year ago (approx 5,57 Adg. 21 Price + or GERMANY FAZ-Aktien : 11:12:53 254,55 252,93 252,52 225,59 Commerztank Dec. 1955 755,0 763,9 731,3 735,0 83 85.5 85.5 107 | +1 72 | -1.5 188 | +1 250 | -3 130 | 68.5 | -0.5 195 | +2 72 | +2 99 | -3 54 | -1.5 65 | -0.5 STANDARD AND POORS **-5** Aug Aug. Aug. Aug. Aug. Aug. 20 13 18 15 14 15 High Low High -1 +2 -4 -0.5 +1 -3 -1 -0.5 :Industile ... 149,33 | 123,12 | 149,65 | 142,86 | 142,51 | 159,68 | 142,86 | 111,03 | 142,65 | 2,52 AUSTRIA (Composite 125,77 127,69 125,39 125,72 125,25 125,28 125,72 25,22 155,65 4,43 15,36 15,37 15,45 15,55 15,55) Hang Seng Bank (5) 7-84: 1135.04 1168.42 1165.15 1135.55 (1125.04 (7) 3) July 30 Dai Nippon Ptg... Daiwa House..... July 23 Year ago 'approx ITALY Deutsche Bank. 291.5 - 2.5 OU Schaft. 167 - 1 Drosdner Bank. 196.5 - 5.9 Dyck Zement. 187 GHK. 217 - 1.5 Hapag Lloyd. 73 + 2 4.79 4,79 Creditanstalt .... 4.81 \$56 536 270 104 8,25 9.20 8,21 8.19 Ind. P.E Ratio SWITZERLAND 10.57 10.14 8.85 Long Gev. Sond Yield Rises and Falls Aug 20 Aug. 19 Aug. 18 NORWAY Oslo SE (1:772) N.Y.S.E. ALL COMMON 126,47 125,41 127,76 127,23 144,70 1162, | Private | Priv 685.97 590.35 522.79 632,09 939,97 121.8 High Low 429,75 /3/1. SOUTH AFRICA 72.07 55.30 15:8/ (27/5) **BELGIUM/LUXEMBOURG** Gold : 1358 industrial : 1358: -u. 794.4 783.7 781.7 784.4 20 2. -u. 618.8 612.7 659.6 613.8 20.8; 649.3 (2.7) 458.0 (2.1) 1980 MONTREAL \_10 +3 Aug. Aug. Aug. Aug. 20 19 18 15 High LCW 1,480 5,000 1,905 948 219 1,950 5,950 3,080 2,335 594,22 028,92 392,77 599,27 625,80 (29.2) 558,86 592,56 268,27 571,59 578,50 (29.2) SWEDEN -20 -10 1792.5 -27 3 SWITZERLAND TORONTO Composite: 2246.4 2707.5 7216.5, 2254.6, 2256.3 14.3. 535 379 NEW YORK ACTIVE STOCKS WORLD | Change | C Change Crocks Closing on Tracks price day 550,000 41 6 5 500,000 41 6 5 500,000 17 6 14 400,000 184-49 6 6 400,000 1774 6 6 GBL (Brux L). Tover: Cr. 787.1m. Vol. 228.9m. Source: Rio de Janoiro SE. page are as quoted on the last traded prices. S Doslings at Ex scrip Issue. AF Ex rights. NOTES:—Prices on this dividual exchanges and are





THE DECLINE in British liquid milk consumption slowed down last mouth, figures published by the Milk Marketing Board

In July sales of liquid milk off farms in England and Wales totalled 529.3m litres, L.55 per cent down on the same month last year. But this was a significantly stronger performance than in June when sales were 2.8 per cent down on June 1979. In May they were 3 per cent down. The relative improvement could be short-lived, however. A

dp a pint increase in the price of the doorstep pinta this month is expected to lead to a renewed sharpening in the decline. And a further retail price rise is likely following the completion of a study of profit margins in the distributive sector this autumn.

Farm and Food Minister Mr. ...Peter Walker has resisted ...pressure from milk producers and distributors for a more substantial increase in the price partly because of his fears that it would push consumption down even more steeply. But the National Farmers' Union, the Dairy Trade Federation and the MMB claim that a further rise in the price is vital if a serious cut in production is to be avoided.

British dairy cows already being slaughtered in increasing numbers as producers take advantage of an EEC golden handshake" scheme designed to reduce Community's structural dairy

## World a<sup>1</sup>uminium antout figures

WORLD PRIMARY aluminium production as reported by members of the International Primary Aluminium Institute was 1.06m tonnes in July compared with 1.03m in June and 971,000 for July last year. Production in North America

was 479,000 tonnes against decline which had wiped £300 a tonne off world prices in a month. But it had little effect July last year. In Europe it was 306,000 tonnes (294,000 and 289,000) and in east Asia 102,000 (95,000 and 90,000).

Latin American production was 69,000 tonnes against 68,000 and 58,000 and south Asia produced 32,000 tonnes against 29,000 and 34,000.

# Chile plans copper output increase

BY ROY HODSON

CHILE, the world's 13th lar- Pelambres deposit is being exgest copper producer, intends plored by Anaconda Copper an gest copper producer, intends to increase output by 50 per cent during the 1980s. The bulk of the extra production will come on stream between 1985 and 1990.

General Ruben Schindler, vice-president of the Chilean Copper Commission, said in Santiago that the level of production will rise from around 1m tonnes a year to at least 1.5m tonnes a year.

A number of new mining projects in Chile are currently being studied by private com-panies. It is being estimated that new investment in Chilean copper during the 1980s will reach some \$6.5bn.

General Schindler said the Exxon Corporation, owner of the Disputada de las Condes mine complex near Santiago is mine complex near Santiago is considering the possibility of expanding output to around 250,000 tonnes of fine copper a year—ten times the present production level. The cost of such

Atlantic Richfield subsidiary.
An investment of some \$1.5bn
would be needed to being a new mine complex there into proyears. Anaconda has reported that the deposit contains 200m tonnes of copper ore.

new mining capacity will be brought on stream by private companies while output from state-owned mines will continue at around the present level of 850,000 tonnes a year.

If the projected capacity in-creases are achieved they should be sufficient to maintain Chile's share of the world market at 13 per cent.

Other prospects for change in the Chilean copper industry include the possibility sale of state-owned mines to the sector an investment is put at more stream next year refinery cap-than \$1.2bn. acity will be increased from Some 400 kilometres north- 789,000 tonnes a year to 806,000 west of Santiago the Los tonnes a year.

General Schindler mentioned Andacollo mine should start start production in 1984 with an estimated output of 75,000 tonnes a year. That will be a duction over a period of eight \$350m investment by Noranda Mines. Feasibility studies are being carried out at Quebrada Blanca. If the partnership of Superior Oil, Falconbridge Chilean policy, according to Superior Oil, Falconbridge General Schindler is that all Nickel Mines, Canadian Superior Oil and McIntyre Mines decides to go ahead, it could be in pro-

> Quebrada Blanca would have an annual production of 100,000 tonnes of copper and would represent an estimated investment of \$630m.

duction in 1986.

On the London Metal Exchange yesterday copper prices continued to soften on the ex-pectation of the U.S. copper workers' strike being settled. The cash metal price fell £5 to £856.5 a tonne.

In Phoenix, Arizona, spokes men for the strikers and the Kennecott Corporation, one of the biggest of the companies involved, 'expressed guarded optimism over the way talks

# Costa Rica reopens coffee exports

BY RICHARD MOONEY

COSTA RICA yesterday became term. But yesterday London over the Americans. Brazil has the first coffee producer to futures prices slipped further kept its minimum export price week by reopening its exports.

Brazil ended its seven-week £1,219.5 a tonne. export ban on Tuesday night and other Central American producers who supported the ban are expected to resume exporting soon. In New York traders reported that Mexico and Nicaragua were considering bids for coffee though exports were still officially closed.

The mass suspension of exports was an attempt, which proved abortive, to halt a sharp on a market which was already over-supplied and prices have fallen by over £200 since Brazil first imposed the ban on July 4. Following the reopening of Brazilian export registrations London dealers suggested that a rush of roaster buying might actually lift prices in the short ending the day £46.50 lower at

In Hamburg coffee market market level, traders said demand for So far how Brazilian coffee was good. They estimated U.S. buyers had con-tracted 100,000 bags (50 kilos enjoy a slight price advantage able.

follow Brazil's move earlier this with the November position at the pre-ban level but discounts available under the deals bring it closer to the world

So far however, demand has not matched up to expectations. When the lifting of the ban was first announced some merchants each) and Europeans 300,000 forecast that registrations would under special deals nego- reach 1m bags within a few tiated before the ban was days as roasters rushed to cash imposed. European roasters in on the large discounts avail-

# Second Thai sugar deal

BY OUR COMMODITIES STAFF

supplies of refined sugar. government last week signed an agreement with Tate and Lyle covering the import of 200,000 tonnes of white sugar in ex-

THAILAND HAS concluded a change for 220,000 tonnes of second barter deal to boost its raws. Yesterday it announced a upplies of refined sugar.

In an attempt to ease its doming of Hong Kong, under which estic supply shortage the Thai it will receive up to 255,000 tonnes of whites.

The refined sugar will be shipped from neighbouring coun-

# Inco cuts nickel production

ONE OF the two nickel refining lines at Iuco's plant at Clydach, South Wales, is to be shut temporarily because of a fall in demand for the metal. Details of the Welsh closure are still being worked out. The scheme was announced

by Inco last night as part of a new global strategy by the group to match production with the low level of demand. Declining nickel sales have

forced Inco to cut production throughout its international operation. Demand, says the group, has fallen in almost every nickel-using sector. The steel industry which uses half the nickel produced in the world is now buying less than for many years past. Inco's immediate places to

meet the recession were listed in a statement from the group's Toronto headquarters vesterday.

At the Ontario division, the company discontinued ore production at its Clarabelle open pit at the end of June and will continue its manpower reduction policy which began in July. At the Manitoba division

some of the mine workers will be diverted from production to development work which will result in lower production than previously anticipated.

Inco said finished nickel production was 210 lb during the first six months of 1980. It added that it could not predict what production cutbacks, if any, will continue into or he required in 1981.

#### Dunedin wool sale easier

DUNEDIN, New Zealandprices at the first Dunedin wool sale of the 1980-81 season were slightly down compared with the recent Christchurch and Invercargill sales, but they were the same as those ruling at this time last season. Demand came mainly from

China, local mills and Western Europe.

The New Zealand wool Board gave moderate support to the market, bidding on 37.6 per cent of the offering, and purchasing or having passed in 2,350 bales, which was 12.4 per cent of the offering, Reuter

#### LIVESTOCK

# Belgian butchers like more muscle

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

ALTHOUGH IT is treasonable the dual-purpose cattle as far as patches of muscle on the ribs for an English farmer to say so, I maintain that the best steaks to be had anywhere in Europe are in Belgium. The cooking has, of course, something to do with it, but basically I believe it to be because of the specialised breeding of their beef cattle, notably the rather clumsy White Blue cattle.

Their chief characterists

the exaggerated muscling, particularly of the hindquarters, the calves have to be born by along the loin and on their Caesarean section. This along the loin and on their shoulders. This means that the amounts of lean meat to be cut from a carcase are claimed to be greater than from any other calves are not so big and they breed. A claim which, by the can be born naturally. I should way, is disputed by the breeders emphasise that the difficulty of some of the other beef breeds found on the Continent.

found on the Continent.

This characteristic was probably developed at a time when cattle were used as draught animals. It was largely lost in the interwar years when milk production was more lucrative. But I did visit one farmer who, with his wife, had 30 due to the last was then fed. since the last war the strain has a day and the milk was then fed account for about 60 per cent of Belgian cattle herds.

Its advantages are illustrated cattle of the same age and crosses, they showed very con-siderable differences. Yielding is to allow for three or four more muscle, ie, lean meat, less calves before the cow is fat and bone and, more im-

at the centre and there was tional British breeds. They are I am sure more will nothing outwardly wrong with often narrow gutted and the of their Landrace Pig.

purpose animals.

quality of the meat which makes the Belgian butchers buy these carcases at such a premium.

exaggerated muscular develop-ment, calving is very difficult. In the majority of the herds immediately precludes their use as ranch-type cattle. When crossed with other breeds the

arises because of the size of the calves' hindquarters.

been very much revived, and to the calves which were reared this breed, or its crosses, separately, any surplus milk was made into butter which was sold for additional income. This couple were also fattening a few at the cattle testing station at bulls and these animals were Ciney where, compared after getting skimmed milk as part slaughter with dual-purpose of the diet.

Caesarean calving does limit probably Friesian the number of calves any cow slaughtered. Unlike the case in portantly, being priced on the Britain, the flesh is valued at market at BFr 109 a kilo as almost as high a price as the against BFr 67 for the dual- young cattle. These cattle can look very odd

I saw examples of both types to those accustomed to tradi-

conformation was concerned, and shoulders are sometimes al-Trere must be something in the most grotesque. But still they the proof of the pudding. The Belgians have also de

veloped the same degree of muscling on their Landrace pigs, with exaggerated hams and very broad backs. The Land-race is widely bred in western Europe but I thought the ham development was better than any I had seen. I was told that this was because they had been breeding particularly for this characteristic, and that a large proportion of the carcasses were exported.

There was a beavily muscled pig in Belgium, a spotted breed called the Pietrain. I should think that the muscling originally came from this source. There is no doubt that the muscling leads to leaner carcases, but the Pietrain had the drawback that it was very

subject to stress. The Belgian Landrace also can suffer from this and all breeding pigs are tested to establish the degree of stress they are subject to, a simple operation at a few weeks old. There must be something in the old saying of laugh and grow

The most interesting facet of the pig farming I saw was that the pigs seemed to be able to be kept on a completely an lib diet and yet produce almost fat-free carcasses. Under similar management most British pigs become far too fat.

Although I doubt if the White Blue cattle will have much application outside Belgium, I am sure more will be heard

# 'Warm' reception for Walker

Agriculture Minister, has been for a large part of West Country Irish beef producers and promised a "warm" reception agriculture when he speaks to Devon farmers early next year.

invitation to address the Devon County branch of the National Farmers' Union on January 19 and he can expect to be given a hard time on the problems of 'We shall certainly want to

talk about milk." said branch secretary Mr. Gerry Symons
The Minister has accepted an yesterday. "Hundreds of our farmers have given up, and thousands of cows are being slaughtered because of the cost/price squeeze."

MR. PETER WALKER, the UK the dairy sector, which accounts British taxpayers' "subsidy" to "crippling" interest rates were other matters Mr. Walker would be questioned on, Mr. Symons stated.

> "We are looking for action on these matters long before January, but whatever happens the Minister is bound to get a Poor returns on sheep, the warm reception in Devon.

> > 80.40.
> >
> > Silver—Aug. 1633.0 (1654.0), Sapt.
> >
> > — (1854.0), Oct. 1650.0, Dec. 1682.0, Feb. 1720.0, April 1758.0, June 1786.0, Aug. 1834.0, Oct. 1872.0, Dec. 1910.0, Feb. —, April 1988.0, June 2027.0, Aug. 2056.0, Oct. 2105.0, Nov. —, 150yabeans—Aug. 797 (785), Sept. 755 (738½), Nov. 775-773, Jan. 788-790, March 802-803, May 805-806, July 804, Aug. —

780, March 802-803, May 805-806, July 804, Aug. —. ||Soyabean Mool—Aug. 222.5 [219.8], Sept. 213.5-213.0 (208.9), Oct. 218.0, Dec. 220.7-220.3, Jan. 222.5-222.0, March 223.5-224.0, May 224.5, July 226.0-226.5, Aug. —, Sept. 222.5-223.0.

23.0. Sovabsan Oil⊷Aug. 26.90 *(2*6.75).

20.53. †Wheat—Sept. 447-447-2 (448-3). Dec. Dec. 467-2-468-2 (470-3). March 485-485-2, May 488-488-2. July 486-2, Sept. ——.

**50.40.** 

# **BRITISH COMMODITY MARKETS**

BASE METALS

COPPEN.—Fell sharply on the London.
Metal Exchange. Forward metal openad
at £879 and quickly gave ground to
touch £871 during the morning, reflecting the possibility of an and to the
copper workers' strike. Short-covering
then lifted three months to £876 on the
morning Kerb. In the stremoon New
York opened in line with London and
forward metal eased to close the late
Kerb at £871. However, in the later Note to 1871. However, in the later inter-office trading a share decline in New York, reflecting heavy stop-loss selling, depressed forward metal to 1880 in London before a minor relly to 1883. Turnover: 18.800 tonnes.

Amaigemented Metal Trading reported.
That in the morning cash wirebars traded at £856 three months £872.
-71, 71.5, 72, 73, 73.5, 74, 73.5, Cethodest 71, 1.5, 12, 15, 15.5, 14, 15.5, Caylones; cash £831, 30.5, 30, three months £852, Kerb; Wirebars, three months £875, 76, 76.5, 78. Afternoon: Wirebars, three months £876, 73, 72, 72.5, 73, 73.5, 73, Cathodes, cash £825, Kerb; Wirebars, three months £872, 71,

72. 73. 72.5. 72, 71, 72, 71.									
COPPER	e,m. Official	H-or	p.m. Unofficial	+ <u>o</u> r					
un	· <b>2</b>	£	£	£					
Wirebare Cash 3 months Settlem't	855-6 873-4 856	+5.75 +3.75 ∓ 6		_7 _7					
Cash 5 months Settlem't		+10.5 +8.5 +9	825-7 847-9	6.5 6					
Section 1	630.0	T# .	98 8 104	******					

TIN Easier following a fall at Penang, hedge salling and talk of arrivals of material into LME werehouses. Forward metal opened at £7,125 and essad to £7,120 during the morating with offerings of cash metal widening the contango to £30 at one point. In the atternoon the material easier as eaglest. the market steedied as covering against noon: Three r. American physical demand lifted for- 41.5, 41, 40.5.

ward material to £7,140 on the late Karb. Turnover: 775 tonnes. Morning: Standard, cash E7 110, 11, three months E7,125. Kerb: Standard, cash E7,110, three months E7,120. Afternoon: Standard, three months E7,145, 40, 45.

TIN	a.m. Official	+ or	p.m. Unofficial	+:
3 months Settlem't	7105-15 7120-30	-15,5	£ 7125-35 7140-5	-17. -5
Standard Cash 3 months Settlem't Straits, E.	7120 30 7111	-15.5 -9	7140-5	- 12. 5
New York			<del>-</del>	

• LEAD—Marginally easier although large volumes were traded throughout the day. Forward metal moved narrowly between £378 and £381, prior to anding the late Kerb at £379.5. Most of the activity was in cash material although at the close the contango had nerrowed by only £1. Turnover: 23,900 younges. Morning: Cash £368, 69, 68, 67, three nonths £379, 79.5, 80, 79.5, 80. Kerb: hree months £379.5, 80. Afternoon:

Three mo	onths E38 nths E379,			Kerb
LEAD	a.m. Official	+ or	p.m. Unofficia	+ ö
Cash 3 months S'ment U.S. Spot	367	£ +4.75 +4.25 +5	£ 366-7 3795	-3 -3

ZINC—Slightly easier in subdued trading with forward metal falling back in the afternoon owing to the down-tum in other metals, to close the late Kerb at £340.5. Turnover: 3,300 tonnes. Morning: Three months £342. After-noon: Three months £342. 41.5. 41.

One month Gold 645.6-652.6 "Our clients speculate, free of tax, in very small to very large amounts, on:—

1. Londou Traded commodities, including GOLD.

2. The STERLING/DOLLAR exchange rate.

1. Londou Limited, 73, The Chase, SW4 ONP. Tel.: 01-622 9192

CORAL INDEX: Close 493-498 (+3)

# ALLIMINUM—Lower for three months' materies although the continuing, light, nearby supply situation encouraged further demend for ceah metal and widened the backwardation to £40. Turnover: 5.975 tonnes. Turnover: 5,975 tonnes. Morning: Three months £738, 37. Kerb: Three months £736, 37, 38, Afternoon: Three months £737; 36, Kerb: Three months £738, 37, 38. Alumin'm a.m. tor p.m. tor or p.m. tor NICKEL—Barely changed with three months closing the late Kerb at £2,796. Turnover: 450 tonnes. Morning: Cesh £2 765, 75, three months £2 800. Afternoon: Cash £2,760, three months £2,795, 2,800. a.m. +or p.m. +or Official - Unoffici'l -2770-5 ...... 2768-72 +2.5 2800-5 -18.5 2798-802 +2.5 \* Cents per pound. ‡ SM per picul On previous unofficial close. SILVER Silver was fixed 12.4p an ounce higher for apot delivery in the London builtion market yesterday at 685.5p. U.S. equivalents of the fixing levels were: Spot \$16.225, up 29.4c; three-month \$16.638, up 30.5c; sx-month \$17.035, up 27.8c; and 12-month \$17.91, up 29.4c. The metal opened at 685p-694p (\$16.25-\$16.45) and closed at the same level. SILVER Buillon + or LM.E. -per fixing -- p.m. troy oz. price Unoffici'i

COFFEE

Spot...... 685.60p +12.4 690.0p +4.5 5 months. 712.10p +12.5 718.0p +5.76 6 months. 734.60p +12.5 12months. 778.40p +12.1 Turnover 110 (104) lots of ozs. Morning: Three months 10,000 ozs. Morning: Three months 716, 15, 16, 15.5. Kerbs: Three months 715.5. Aftermoon: Three months 722, 21, 21.5, 20, 19, 18. Kerbs: Three months 718, 17, 16, 17, 17.5, 18, 18.5. COCOA Trading within a narrow range, futures eased during the afternoon session, but steadied to close at levels little altered to Wednesday reports Gill and Duffus. Yesterd'ys + or Business Close | - Done COCOA 952-953 -2.5 960-950 995-996 -2.0 1005-992 1039-40 +1.0 1048-35 1050-64 +1.56 1058-59 1080-85 -1.0 1090-80 1100-10 +2.5 -1185-35 +2.5 -Sales: 2.009 (1.594) lots of 10 tonnes. ROBUSTAS CONTINUED THE RECENT COMMISSION HOUSE SAILING INDUCED EARLY IOSSES IN LIGHT VOIUME, PEPORTE Drexel Burnham Lambert. News that several of the Latin American producers had reopened registrations for exporte prompted Trade and producer support lifted values slightly before further commission phouse selling pushed prices back towards the lows. yesterday's
Close + or Business
Done COFFEE & per tonne 1175-78-38.0 1192-65 1219-20-46.5 1241-11 1348-85-51.0 1280-46 1246-50-41.0 1276-46 1255-66-50.5 1285-79 1260-75-52.5 1890-80 1280-20-52.5 January.... March .... Sales: 3,333 (3,050) lots of 5 tonnes. IGO Indicator Prices for August 20

+ or p.m. + or (U.S. cents per pound): Other Mild Arabicas 138.00 (138.83) Cash...... 330.2 -2 329.5 -3.25 340.5.1 -3.75 (189.72). Syment ... 332 -1.5 -7 1971 -1 . •35,6 | ..... **GRAINS** CORAITO

LONDON GRAIN FUTURES—Wheat opened lower but good general buying support relied the market quickly to trade 30p-50p higher. Later hedge celling and some profit-taking assed values back to close 5p-30p higher on the day. Barley saw good volume and values traded 60p-60p higher, where selling pressure halted further rises and prices eased bock, closing 30p higher on the day, reports Acli.

day, reports Acli.

•	WHEA	T		j B₁	ARLE
- 5	M'nth	Yestorday close	+ or	Yesterday close	+ 0
9	Sept	97.45		93,55	+0.3
8	Jan., Mar May		+0.50	97.60 101.05 104.50	+0.4
9	Bus	iness done	Wh	set: Sept,	94.50
	101,25	Nov. 97. , March -108.35. Ju	105.	15-104.70,	Ma
Г	212 lo 98.70-l	ts of 100 88.95, No	tonnes v. 93	s. Barley: 3.85-93.30,	Sep
5	104.75	97.10, Man 104.30. S			
		OKTED —			
	Sept.	99. Oct. 10	2.25, I	lov. 103.40	) Dec

106.25, transhipment East Coast. Herd Winter, 13<sup>1</sup>, per cent, Aug. 97,30, Sept. 98.10, Oct, 100.50, Nov. 101.75, Dec. 103.15, transhipment East Coast. Dec. 103.15, transhipment East Coast, English Feed fob Sept. 99, Oct. 100, East Coast sellers. Maize: French Sept. 123.50, transhipment East Coast. S. African Yellow Sept.-Oct. 90. Barley: English Feed fob Oct. 95 quoted. Rest unquoted. HGCA — Locational ex-farm spot prices. Feed barley: S. East 85.10, S. West 85.40, W. Midlands 44.30, N. West 85.90. Other milling wheat: W. Midlands 101.0.

RUBBER The London physical market opened alightly steady, with little interest throughout the day, closing quiet. Lewis and Peat reported an fob September price for No. 1 RSS in Kuala Lumpur of 308.5 (307.5) cents a kilo and SMB 20 at 273 (272). and SMR 20 at 273 (272).

No. 1 Yest'day Previous Business R.S.S. Close Close Done 85,10-84,00-85,80-85,90 85,10-62,50 Sales: 291 (447) at 15 tonnes; 9 (6)

Physical closing prices (buyer) were: Spot 62.50p (63.00p); Sept. 64.50p (64.75p); Oct. 65.00p (65.50p). SOYABEAN MEAL The London marker opened slightly esser but found trade support particularly in nearby months, reports. T. G. Roddick. Prices stayed in a narrow range and closed slightly standing.

Sales: 71 (116) lots of 100 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 100 tonnes, bringing the total for the week so far to 119 tonnes. A slightly freer offtaks occurred as average prices appeared to have stabilised, but much uncertainty atill prevailed about prospects. Users were

SUGAR

LONDON DAILY PRICE (raw sugar): 6325.00 (6320.00) a tonne of for Aug-Sept-Oct. Shipments. White sugar daily price was £329.00 (£326.00). in a market lacking incentive fluctua-tions were contained within a £4-£5 range of prices throughout the day, reports C. Czamikow. No. 4 Yest'rdays Previous Business

tract	Cidse	Close	Done
_	£ pe	er tonne	
ct	342,00-42,25	5 669.66-37.04	345.50-85.0
	556,50-54,50		
ch	.658,76-59,00	352,05-52,5	0.360.50-52,0
ay ,,	351,75-52,00	345,25-45,75	355.00-46.0
	337.00-57.29		
cŧ	523.50-25.00	i:618,00-19,9i	1;326.00-24.0
en	503.50-08.00	1,299.00-300 <u>.</u> 1	0j384.00
	4,072	(5,256) (	ots of 5
innes.		CT_C'	/:d-

No. 2 CONTRACT—Close (in order buyer, business, sales): Aug. 300.00, 307.00. 305.00, 8; Oct. 346.75, 347.50, 349.50.343.00, 150. Sales: 158 (254). Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £417.00 (£410.50) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 20. Daily price 31.85 (31.39): 15-day rage 32.03 (31.83). **WOOL FUTURES** 

BRADFORD WOOL—Very little business was reported, but there was enough to prevent further price cutting. SYDNEY GREASY WOOL-Close (in SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, seles). Australian cents per pound. Oct. 459.0, 459.5, 460.0-459.0, 12; Dec. 465.5, 457.0, 458.5, 465.0, 48; March 472.9, 473.0, 473.3-473.5, 51; May 475.0, 478.0, 478.0-478.5, 52; July 478.0, 478.5, 478.0-478.5, 12; Oct. 478.0, 479.0, 478.0, 10; Doc. 478.0, 380.0, 478.0-478.0, 5. Sales: 201.

201.
LONDON NEW ZEALAND CROSS-BREDS—Close (in order, buyer, seller, business, sales). New Zealand cents per kilo. Aug. 353, 364, nil, nil: Oct. 358, 369, 361-359, 12: Dec. 362, 365, nil, nil: Jan. 364, 366, 366-365, 4; March 368, 369, 367, 3; May 368, 374, 369, 2; Aug. 371, 373, nil, nil: Oct. 371, 375, 373, 2— Dec. 372, 374, nil, nil: Jan. 373, 376, nil, nil: Sales: 23. POTATOES

LONDON POTATO FUTURES-The 240.0, Old each 100.0 to 140.0. LONDON POYATO FUTURES—The potato market was stady at lower levels today, with profit-taking holding levels to £40 on November. Some frash buying towards the close moved values off the lows to finish steady, reports Coley and Harper. Closing prices: Nov. 40.20, -40 (high 40.20, low 40.00): Feb. 47.00, -70 (high 47.00, low 46.80): April 53.90, -40 (high 54.00, low 53.70). Turnover: 87 (83) lots of 40 tonnes.

HIDES—Manchester: Little change. Second clears. Ox 31/33.5 kilos 33.3p s kilo (34.9p per kilo); 26/30.5 kilos, 19.8p (39.7p); 22/26.5 kilos 43.2p (42.2p). Light cows 42.7p (42.5p).

#### PRICE CHANGES In tonnes unless otherwise stated.

о mtлв	¥046	~9	2940	
Gold troy oz	:5643.5	+9	\$641.5 £357 £367.75 £3.248.85	
Lead Cash	£366,5	-2	£357	
o mnuns	2318.23	3	£367.75	
Nickel	£3.186.4			
Freemkt (elf (ib	290/315	£	285/310c	
	:		i	
Platin'mtr'y oz Free mkt Quicksilvert	ATOG EA		0100 60	
PIECH (ILL Y DZ	2100.00	~ C 65	202,00	
Free mkt	22/1.00	~	22//.15	
GRICKSHAGL	2410/42	3 +5	\$2501400	- 7
Silver troy oz	685,60p	·+ 12,9	675,70p	:
ā mths	712.10p	<del>+</del> 12,8	701.70p	•
	•		•	- 2
Tin Cash	£7130	!17-5	£7,185	
Z mths	£7 149 5	-5	£7.815	
3 mths Tungsten22.04%	S144 74		£7,215 5142.65	
101182501155-0410	9177, <i>1</i> 7	1,481-86-1		
Wolfrm 22,04 ibs	\$149/152	الىتىتىتىتى <sup>ل</sup> ا	\$14B:149	•
Zinc cash	£329,25	3-25		
3 months Producers	£340.75	!3.75	£313,25	1
Producers	\$780	},,	8780	-
		1.,	14.00	-
Oils :			I	•
Coconut (Phil).	\$6157	<u>!5</u>	\$670	
Groundnut Linseed Crude.	· :	1	l ±	1
Linseed Crude.	£397	-4	£413	4
Palm Malayan.	8515t	-7.5	9560	5
	80100		,4000	
Seeds !		i 1		
Copra Philip	\$430±		450	Ę
Soyabean(U.S.)	\$312r		1	
-		'	. •	
Grains :		1 . •	! .	
Barley Futures;	£93,55	÷0.55	£94,70	
Maize		i i	i	
French No3AM	1	i	•	
Wheat	•	j		
No.1 Red Spg.	Í	1 1		٧
No 2HardWint	407 KA		£91,75	5
Can Milliant	201.00	170.10		Ě
Eng. Millingti	<b>‡</b>	[		Š
Other '		1 '		9
commodities		! . !	I	5
commodities Cocoa ship't	£1,056	2 3	£1,104 .	
Future Dec. :	2995.5		£1.058	_
CoffeeF t' Nov.	£1,219.5	46.5	£1.302	S
Cotton A.Index	96.30	1 + D. M	89,25c	J
Rubber (kilo).	52 50n	_0.60	55,76p	
Rubber (kilo) Sugar (Raw)	F325	1.5	22.50	_
Sugar (Raw) Woolt'ps 84s kt.	7865 LU-	} <b>~</b> ~	ماما م900ء ماما م900ء	P

† Unquoted. r Aug.-Sept. a Sept. Oct. u Sept.-Oct. z Indicator. § Buyer. 48.0. Imported frozen: NZ PL 58.0 to 59.0, PM 51.0 to 51.5. Pork: English, under 100 to 40.0 to 48.0, 100-120 ib 38.0 to 46.0, 120-160 ib 35.0 to 44.5.

240.0, Old each 100.0 to 140.0.

COVENT GARDEN-Prices in starling per package except where otherwise stated: Imported Produce: Oranges—Outspan: Valencia Lates 48 5.40, 58 5.75, 72 5.85, 88 5.45, 112 4.30, 138 3.95, 160 3.20; Naveletas 48 5.20, 58 5.50, 72 5.60, 88 5.10, 112 4.05, 138 3.75, 150 3.00; Tomangos/Protees 48 4.80, 56 5.20, 72 5.30, 88 4.80, 112 4.05, 138 3.65, 150 3.00; Californian Sunkist Valencia Lates 72/113 5.20, 48 4.80, 12 Lemons—Italian: 100/150 6.50-7.00; Spania: Trays 25/45 2.80-3.00; S. Afncan: 8.00-8.50, Grapefruits—Outspan: Marsh Seedless 4.50-8.75, 8.00-8.50. Grapefruits Marsh Seedless 4.5

**AMERICAN MARKETS** 

NEW YORK, August 21.
SUGAR RECOVERED from heavy commission house setting as reports conmission house selling as reports con-tinued to indicate that the best crops behind the Iron Curtain are in trouble. Precious metals declined on reports that the Soviet Union was not sending additional divisions to Poland.
Guarded optimism regarding the strike settlement led to heavy pressure on copper prices. Sizeable deliveres in coffee brought prices down the limit. Steady buying by commission houses pushed the cotton market much higher.

I what manufacturers buying supported pushed the cotton market much higher.

Light manufacturers buying supported
accord at slightly higher values. A late
rally in maize and soyabans moved
prices sharply higher, wheat finished
lower, reported Heinold.

Potatoes (round whites)—Nov. 86.6
(87.1), March 119.8-120.0 (119.5), April
146.8-148.0. Sales: 2.162. Tin--773.0-787.0 (773.0-779.0). Tin—773.0-787.0 (773.0-779.0)
CHICAGO, August 21.
Lard—Chicago looss 23.50 (sems).
New York prime stasm 23.50.
Live Cattle—Oct. 68.90-68.75 (69.60),
Dac. 68.35-68.25 (68.25), Jan. 68.80.
Fab. 69.95-69.85, April 71.35-71.40, June 72.65.
Live Hogs—Oct. 44.85-44.60 (44.10),
Dsc. 45.50-45.25 (45.20). Feb. 47.8047.40, April 46.30, June 49.85, July 50.90. Aug. 49.80, Oct. 48.65.

\*\*Events per pound ex-warshouse unless otherwise stated. \*\*S par troy ounce. 1\*Cents per followish. \*\*S per troy ounce.

EUROPEAN MARKETS

ROTTERDAM, August 21.

Wheat—U.S. No. 2 Dark Hard
Winter, 13.5 per cent, Aug. \$208. Sept. \$286, Sept. \$288.75, sellers.

Soyameai—44 per cent protein U.S.

Soyameai—44 per cent protein U.S.

Soyameai—44 per cent protein U.S.

Soyameai—45 per cent protein U.S.

Soyameai—45 per cent protein U.S.

Soyameai—45 per cent protein U.S.

Soyameai—46 per cent protein U.S.

Soyameai—47 per cent protein U.S.

Soyameai—48 per cent protein U.S.

Soyameai—49 per cent protein U.S.

Soyameai—40 per cent protein U.S.

Soyameai—40 per cent protein U.S.

Soyameai—40 per cent protein U.S.

\$217, Nov. \$220, Dec. \$225.

Maixe—Afloat \$188, Aug. \$188, Sept. \$165, Oct. \$188, Nov. \$166, Dec. \$169, \$191.-March \$172.50, April-June \$173.

Soyabeans—U.S. Two Yellow Gulfports spot fob Paraguay/Gulf \$297.75, Aug. \$255.75, Sept. \$298.50, Oct. Nov. \$308.50, Dec. \$312.50, Jan. \$317, Feb. \$323.25, April-May \$356.3320, Aug. \$3180.3250, Oct. \$3050-3320, Sales at call \$2.

**DOW JONES** 

Aug. 21|Aug. 20|M'nth ago|Year ago

1736.4 1725.5 1695.7 1571.2

(Base: September 18, 1931 = 100)

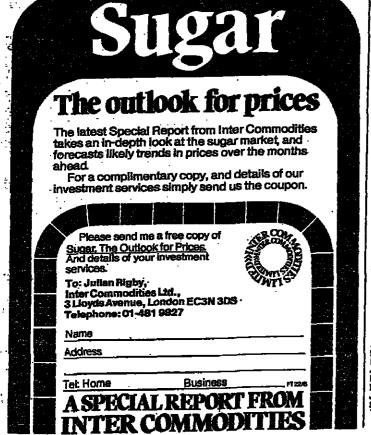
INDICES Dow Aug. Aug Month Year Jones 20 19 ago ago FINANCIAL TIMES Aug. 20 Aug. 19 Moth ago Year ago Spot .. 447.27 446.74454.49401.37 Ftur s 464.14, 464.14448.69411.95 (Average 1924-25-28=100) 273.78 273.76 278.01 285.27 (Base: July 1, 1952-100) MOODY'S

1258,9 1231.4 1198.3 1087.5 dier 0.06-0.08, Howgate 0.08-0.10, Derby

Aug. 20|Aug. 19|M'nth ago|Year ag o

0.08. George Cave 0.16-0.20, Millers'

3.00. Tomatoas—Per 12 lb 3.40-3.60.
Lettuces—Per 12, round 0.90-1.20, Cos
1.20, Webbs 1.20. Carrots—New crop
28 lb 1.00-1.50. Onions—Por bag 2.202.40. Celery—Per 20/30 2.40-2.50.
Marrows—Box 12/15 0.80-0.90. Capsicums—Per pound 0.15. Runner Beans
—Per pound 0.12-0.13. Swedes—Per
28 lb Davon 1.00-1.30. Courgettes—
Per pound 0.12. Sprouts—Per pound
0.12-0.14.



# Institutional demand leads to broad-based advance All-share index at all-time high and 30-share gains 6.2

Account Dealing Dates Options

Dealings tions Dealings Day Aug. 11 Aug. 28 Aug. 29 Sept. 8 Sept. 1 Sept. 11 Sept. 12 Sept. 22 Sept. 15 Sept. 25 Sept. 26 Oct. 6

buying had a marked effect in equity markets vesterday Further selective institutional equity markets yesterday and took the FT-Actuaries All-share index up one per cent to 289.14
— its highest since compilation.

The Industrial Group index put on 1.3 per cent to 257.83, its highest since May 18 last year when it was receding from its all-time high of 273.01 recorded a couple of weeks earlier. Electricals and Stores were

prominent in the rise, although the former ended below the best in places on profit-taking. The FT 30-share index made progress

A lengthy list of trading statements created a reasonable amount of interest. Of the bigger concerns. Shell held steady to firm and Barclays made progress on satisfactory half-yearly statements. Against the trend, ICI gave ground following reports that analysts had revised downwards their profits estimates Harris Queensway up for the second-quarter figures which are due to be announced next week.

Many of the day's rises reached double figures and were again accentuated by stock shortage, but there was little sign of any increase in trading activity with total bargains remaining around the recently depressed level of just over 17,000.

#### Barclays satisfy

British Funds also made headway, albeit on a rather modest scale. Business here remained at a low level, but after fluctuating narrowly mediums and longs ended with rises of } and some-

high of 384.0. Tips responded to selective buying and Australian mining shares moved up in the wake of Sydney advices.

\*First Declara Last Account attracted 1,465 deals — the highest total for nearly a month. Seven positions attracted a threefigure trade and the more active Pullman, both 2 better included Lourho, 218, Imperial, common price of 45p. 273, and Racal, 172.

The disappointing clearing bank interim dividend season was brought to a more satisfactory conclusion than expected by Barclays, which rose 5 to 425p in response to the 13 per cent first-half profits increase. Lloyds, 315p, and Midland, 335p, im-proved similarly in sympathy. Merchant banks met with selec-tive support and closed firmer throughout. Hambros gained 10 to 558p, as did Hill Samuel, to 147p, while Kleinwort Benson

put on 6 to 204p and Guinness Peat 5 to 131p.

Insurances failed to sustain with the previous day's buoyancy. However, Pearl rose throughout the session and ended at the day's best with a rise of 6.2 for a two-day gain of 9.8 to 497.9; this compares with the 1980 peak of 503.1 recorded in 1980 peak of 1981 month.

Tadding Reweries came in for 4 more making a gain on the week so far of 30 to 426p ahead

Leading Breweries came in for scattered support; most finished a shade below the day's best, but closing gains still ranged to 9. Greenall Whitley were marked that much higher at 220p, while Bass picked up a couple of pence to 236p, after 238p.

Gains in Buildings were sometimes exaggerated by stock shortage. BPB rose 7 to 23Sp, Redland 6 to a 1980 peak of 189p, and Tarmac 4 to 280p. Among Cements, Tunnel B stood out with a gain of 10 at 232p, after 234p, while Ready Mixed Concrete closed 2 dearer at 186p. after 187p. F. J. C. Lilley firmed 2 to a 1980 peak of 89p on news of contracts worth £17m, while William Whittingham put on 3 to 115p reflecting higher interim orofits. Among Housebuilders, William Leech added 3 to 67p. Press comment on the Paint industry directed attention towards Manders which firmed 4 to 142p.

times a little more, while shorts recorded gains extending to 3. The seasonally adjusted Public Borrowing Requirement had little impact on sentiment.

improved S to 250p. Secondary Oueensway, 10 better at 156p.

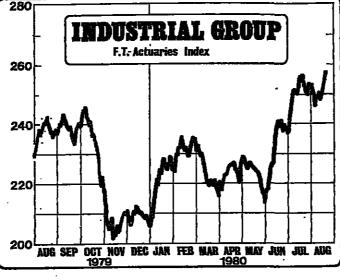
The firmer tone in equities was firm: Freemans rose 6 to 132p, to the bullish tenor of the state- with stock left closing improve- firmed 5 to 85p, reflected in Traded options which while Grattan, 68p, and Empire, ment which accompanied details ments ranging to 12 in the Among firm 170p, added 4 apiece. Higher pre-

> Electricals continued to make strong progress with doublefigure gains commonplace; most rises were exacerbated by stock shortage. Having risen to 500p late on Wednesday, GEC con-tinued to improve and touched of 10 at 506p. Thorn EMI jumped 10 to 364p, while Racal firmed

to 37p following the results. B. Ellioti, 262p. Jones and Shipman. 83p, and Martonair, 202p, all rose 6. By way of contrast, Westinterim dividend omission and first-half profits setback.

## Reckitt wanted

Leading Foods made an impressive showing as renewed sup-6 to 291p. Plessey moved against port, some of which was insti-



at 243p. Electronic issues were particularly strong; Electrocom-ponents added 15 more to 720p, while Unitech advanced 21 to 347p. Also buoyant were Eurotherm, 323p, Ferranti, 417p, and United Scientific, 318p, all up around 15. Recent takeover favourite Farnel! picked up 12 more to 377p, while the confident statement accompanying the annual results left Dale 2 better

Already a couple of pence harder, Vickers improved further after-hours to close 5 up at 131p on the announcement that com-The overnight U.S. strength of the metal got Gold shares off to a firm start and the Gold mines index gained 11.2 for a three-day advance of 20.8 to a five-very making an advance on the week so far of 10 to 661p. Elsewhere, ML Holdings highlighted with a

the trend and finished 4 cheaper tutional, found the market short of stock. The prospect of a 240p. higher commodity price again on 6 for a two-day gain of 12 to a 1980 peak of 162p and British Sugar rose 8 to 263p. Food to a 1980 peak of 162p and British Sugar rose 8 to 263p. Food Retailers were led higher by J. Sainsbury, another 12 to the good at 469p, after 470p. Associated Dairies gained 6 to 208p and Linfood 5 to 153p, while Tesco hardened a penny to 574p. Associated British Foods and Northern put on 3 prices to 120p firmed 4 to 424p on satisfaction Northern put on 3 apiece to 120p and 145p respectively, while Rowntree Mackintosh revived with a gain of 8 at 160p. Else-where, Needlers improved 14 to 241p despite the interior

> Among Hotels and Caterers, Queens Moat Houses firmed 2 to 37p following Press comment, while late support lifted recently neglected Brent Walker 4 to 67p.

341p despite the interim profits

of the proposed £2m rights issue. miscellaneous industrial leaders. tinued to make good progress and closed 7 up at 24tp. Metal Box were also notable at 298p, up 8, News of the proposed redundanwood Dawes fell 6 to 26p on the cies at its paper subsidiary's works at Aylesford had no adverse effect on Reed Inter-national which hardened 3 to

202p. Elsewhere, buying on hopes of good interim profits when the company report next month left BTR 13 to the good at 383p, after 388p, while De La Rue jumped 30 to 825p on share-slimming hopes.

HongKong and Kowloon Wharf rose 35 to 730p, after 750p, on the announcement that shipping magnate and major shareholder Sir Y. K. Pao is to replace Mr. David Newbigging as chairman. Speculative buying was evident in Booker McConnell, 4 dearer at 55p and Griperrods, 5 harder at 169p, while J. Bibby gained 4 more to 214p. H. Brammer improved 4 to 151p helped by the announcement that the Prodestal pour hold a that the Prudential now hold a 7 per cent stake.

Horizon Travel, a good market 180p. after 181p. Elsewhere, Herrburger Brooks hardened a penny to 74p on the preliminary results. Television issues featured LWTA which put on 6 to

Among firmer Motor Com-ponents, Dowty rose 8 to 249p, while Flight Refuelling, dull of late on profit-taking, rallied 5 to

higher commodity price again A reasonable business was directed attention toward sugar transacted in Properties, but shares where Tate and Lyle put gains were modest. Among the leaders. Land Securities and MEPC added 3 apiece to 369p and

firmed 4 to 424p on satisfaction with the second-quarter figures, but the latter, a volatile market since last Tuesday's interim, shed 20 to 680p, after 675p, on reports of a dry well in the Tiffany Field. British Petroleum moved narrowly before settling a couple of pence firmer on balance at 354p. Elsewhere, Ultramar remained on offer and shed 4 for a two-day gain of 8 to 346p, while IC Gas dipped 18 to 800p on profit-taking. Charterhouse Queensway, 10 better at 155p. ML Holdings nignlighted with a Investment demand in a profit-taking. Charterhouse while mail-orders also finished jump of 37 to 355p in response market none too well supplied attracted a good business and

Among firmer Investment Trusts, Alliance, interim results liminary profits and dividends Mining Supplies added 9 to 146p. Ahead of the interim results, due today, rose 10 to 246p. In Finhelped A. J. Gelfer, and R. and J. on renewed speculative support next month, Reckitt and Colman ancials, R. P. Martin continued Pullman, both 2 better at the and Saville Gordon hardened 2 rose 12 to 214p, while Boots contobenefit from the good results and ended 3 up at 57p, while Charterhouse, interim due shortly, hardened 3 to 93p.

A firmer tone in Shippings left British and Commonwealth up 8 more at 368p and P & 0 Deferred a couple of pence better at 134p. Textiles turned firmer, where

changed. Scottish, English and European added 6 for a two-day gain of 9 at 56p following the increase in annual profits and Reliance Kniwear picked up a couple or pence to 25p for a similar reason, while speculative demand returned for Sirdar, 3 better at 93p.

#### Golds at 5-year high

A generally buoyant mining market was featured by the continuing strength of South African Golds as the buildion price added a further \$9 for a three-day gain of \$31 to \$643.50. The Gold Mines Index put on 11.2 more to 384.0 its highest since July 2 1975.

Golds were marked up sharply at the outset, following heavy since the interim results, added overlight American buying, and 5 more to 300p in a thin market, made further progress during the while Saga closed 2 firmer at morning on local, Johannesburg and Continental support. A minor reaction around midday failed to deter huvers and prices moved further shead in the afternoon and after-hours' trading to close at the day's best

Heavyweights registered gains ranging to fill as in West Driefontein, £38, while new 1980 highs were seen in Free State Geduld, \$ better at £29, Hartebeest, i to the good at £32; and Western Holdings, i up at £20; In the cheaper-priced issues, Grootviel added 37 to 400p and Leslie 13 to 165p.

South African Financials moved similarly to Golds.

Amgold "advanced £11 to £43; the price in yesterday's issue

London Financials were gener ally firmer but business fell away in the afternoon. Tanks rose 9 to 347p reflecting the good gains in the Ashton participants. Australians moved up strongly in the wake of overnight domestic markets and the firmness of the bullion price.

Golds were outstanding with Poseiden 12 up at 238p, North Kalgurli 3 firmer at 90p, Allstate 8 higher at 98p and Hill 50 Gold The Ashton stocks attracted

persistent support following rumours of further, diamond finds. Ashton Mining jumped 12

# FINANCIAL TIMES STOCK INDICES

•	21	20	19	18	15	14	200
Government Seos	69.18 70.58		_			, .	78.54 74.64
Fixed (nterest	497.9 384.0	491,7	489.1	487.6		477.5	463,1
Gold Mines Ord. Div. Yield Earnings, Yid. % (full)	7,27	7,36	7,42		7.48 17.56		
P/E Ratio (net) (*) Total Bargains	7.04	6.98	6,93 17,434	6.94 17,037		6.78 16.903	
Equity turnover £m Equity bargains total	-	99,25	108,83	88,26 13,366	88,24	85,00	68 Rg

10 am 496.0 11 am 495.8. Noon 496.5. 1 pm 497.3. 2 pm\_497.5. 3 pm 497.3. Latest Index 01-246 8026.

Besis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial Ont. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

# HIGHS AND LOWS

	19	80	Since Co	mpilat'n		Aug.	Aug.
	High	Low	High	Low			7 TO 12
Govt Secs	72.54 (21/7) 74.08	63.85 (7/8) 64.70	127.4 (9/1/86) 150.4	49_18 (8/1/75) = 50.53 (8/1/75)	Gilt Edged Industrials Speculativa. Totals	100.6 110.4 49.2 77.4	88.6 34.7
Ind. Ord Gold Mines	(24/7) 503.1 (16/7) 384.0	(10/3) 406.9 (8/1) 265.5	(28/11/47) 558.6 (4/6/79) 442.3	49.4 (26/6/40) 43.5	5-day Avrge. Gilt Edged Industrials	99.8 96.7	92.4
	(21/8)	(18/5)	(22/5/75)	(26/10/71)	Speculative.	37.6 68,0	

to 160p, Northern Mining 10 to biggest gainer in the recent 140p and CRA a like amount to surge in share prices, put on 10 to 650p, while Ayer Ritam advanced 30 to 370p, Berjunsi stocks, Western Mining gained 9

Among the leading base-metal stocks, Western Mining gained 9 to a 1980 high of 310p.

Tins came in for fresh local demand amid continuing speculation that additional mergers are in the pipeline. Gopens, the

to 345p and Idris 8 to 128p.

In Coppers, ZCI hardened 2 more to 43p but the sharp contraction in first quarter profits depressed RCM by 20 to 170p.

#### **NEW HIGHS AND** The following shares quoted in the Share formation Service yesterday attained new ighs and Lows for 1980.

NEW HIGHS (171)

BRITISK FUNDS (1) CANADIANS (2) BANKS (4) BUILDINGS (6)

NEW LOWS (19) CHEMICALS (1)

# LOWS FOR 1980

Watson (Philip)

Beatson Clark Rock Darlum

Brook St. Bureau Watson R. &
Hawkins & Theson

Historica (1)

Historica (2)

With the control of PAPER (I) East Lancs. Paper SHIPPING (5) Gotzas-Larsed TEXTILES (1) Ingram (H.) OIL & GAS (1)
Sun (UK) Royalty

#### RISES AND FALLS YESTERDAY

Corons., Dom. and	. 66		20
Foreign Bonds	. 7		52
industrials		119	
Financial and Prop.		_ 21 17	
Plantations	. 3	5 <sub>?</sub>	17
Mines	. 93		
Others	85	26	56
Totals	914	. 207	1,334
		=	

# FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

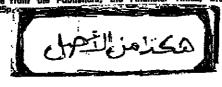
	EQUITY. GROUPS			TI	Thurs., Aug. 21, 1980				Wed., Aug. 20	Tues, Aug. 19	Mon. Aug. 18		Year ago (approx.)	
Figi	& SUB-SECTIONS Figures in parentheses show number of stocks per section			Index No.	Day's Change %	Eart Yiel	st. nings d % ax.)	Gross Div. Yield % (ACT at 30%)	(Net)	Index No.	Iredex No.	Index No.	Index No.	Index No.
ī	CAPITAL GOODS			287.27	+1.4		.87	5.74	7.60	283.40	281_48	281.44		
2	Building Materials (	28)		263.05	+1.4		.62	6.37	6.69	259.35	257.08			
3	Contracting, Constr	action(27).		422.65	+0.7		.%	5.76	5.41	419.54	416.52			
4	Electricals (17) Engineering Contra			854.60 337.80	+15		<i>2</i> 7	. 3.11	10.86	842.32 332.98	832.16 331.95			
, 5 6	Mechanical Enginee			184.23	+14		.38 .44	7.71 7.27	7.44	181.32	180.96			
8	Metals and Metal F			166.06	+0.9		83	10.22	5.47	164.65	165.48	1	1	
•	CONSUMER 600			12030	1 70.7					1	1	1	, ,	
11	(DURABLE) (49)			243.55	+21	15.	<b>5</b> 0	5.29	8.86	236.57	234.72	233.99	i i 232.51	234,87
12	Lt. Electronics, Rad	io, TV(14)		368.86	+2.6	13.		3.82	11.68	359.43	354.82			
13	Household Goods (1			93.09	+0.8			11.00	4.85	92.31	92.61			
14	Motors and Distribu			101.26	+0.6	21.	84	9.28	5.27	100.68	101.40	101.88	101.98	112.01
	CONSUMER GOOD					١.,	_		۱					234.09
21 22	(NON DURABLES) Breweries (14)	(1/2)		291.95	+1.5 +0.8	16.		6.66	7.11	238.42 293.70	236.% 290.45			
23	Wines and Spirits (5	)		270.17	+0.8	19		6.46	6.10	313.02	312.04			
24	Entertainment, Cate	ring (17)		342.87	+0.6	16.		6.53	7.28	340.76	338.70			
25	Food Manufacturers	(21)		220.35	+18	18.		6.81	6.38	216.44	215.69	216.74	215.27	205.15
26	Food Retailing (13).			363.37	+2.2	111.		4.38	10.28	355.55	354.17			
32	Newspapers, Publis	hing (13)		441.53	+1.2	23.		7.03	6.19	436.35	437.10			
33	Packaging and Pape	r (15)		132.19	+1.8	26.		9.90	4.31	129.82	130.05			
34	Stores (45)			241.80	+19	12		5.19	10.15	237.38	235.33	1		
35 36	Textiles (21)			123.78	-0.4 +1.5	26. 24.		12.49 10.07	4.64 4.58	124.26 227.65	123.46 226.67	122.92 227.65		
37	Tour and Cames (5)	*****		26.77	+13		40	14.24	27.52	26.41	26.41			
41	Toys and Games(5). OTHER GROUPS (9)	99)		228.65	+0.5	16.		6.78	7.35	227.44	227.27	226.47		
42	Chemicals (16)			315,45	-0.4	19.		7.64	5.83	316.73	316.03	,		
43	Pharmaceutical Pro	ducts (7)		239.47	+1.3	10.		5.78	11.70	236.43	233.24			
44	Office Equipment (6	)		107.15	-0.2	18.		7.74	6.17	107.40	187.42			
45					+1.1	12.		5.78	9.77	608.27	610.45	597.36		
46	Miscellaneous (60).			283.45	+11	15.		6.53	7.65	280.46	282.19	281.28		
49	INDUSTRIAL GRU	NA (4AT)""		257.83	+13	16.	_	6.34	7.40	254.59	253.27	252.61		235.68
51	Oils (9)			805.49	+0.6	27.		6.42	4.01	801.08	793.89	797.42		
59	500 SHARE INDEX FINANCIAL GROU	D/1100		301.27	+1.1	18.	<u>/U  </u>	6.35	6.29	297.93	296.15	295.82		266.17
62	Banks(6)			239.29 239.76	+0.5 +0.9	42	- l	5.38 7.01	2.82	238.09 237.51	235.80 237.80	234.38 235.42	231.74 232.03	187.92 213.93
63	Discount Houses (10			284.23	-0.1	7		6.24	2.02	284.49	284.49	283.86	283.26	261.55
64	Hire Purchase (5)		[	22113	+0.8	14.0	01 l	4.53	9.30	219.38	218 16	219.73		170.48
65	Insurance (Life) (10	)		248.48	+0.3	Į - ¯	- [	5.13	_	247.63	239.86	237.81	236.52	151.57
66	Insurance (Composit	e) (9)		165.11	-0.3	<b>∤</b>	- 1	6.71	_ <del>_</del> _	165.55	162.22	162.38	157.68	124.59
67	Insurance Brokers (5 Merchant Banks (12	<u>'</u> ''	[	342.63	-0.1	13.5	56 j	6.73	10.13	343.05	336.00	333.56	336.37	270,40
68 69	Merchant banks (12	/ <del></del>		141.98 445.47	+2.8 +0.7	33	i. I	5.01 2.64	43.58	138.07 442.41	137.86 442.56	135.55 446.21	135.08 438.84	99.05 359.02
70	Property (45)		/	145.67	+0.7 +0.5	14.		6.06	8.98	144.74	143.93	142.45	141.68	117.94
ㅠ	Investment Trusts (1	09)		267.51	+17	-	<del></del>	5.38		263.08	263.37	262.69	261.70	212.80
81	Mining Finance (3)			249.65	+0.5	12.0	13	4.20	10.01	248.41	245.29	243.73	243.98	123.24
91				434.87		1		6.79	10.42	431.02	430.82	427.98	427.65	336.43 .
99	ALL-SHARE INDEX			289_14			-	6.07		286.21	284.43	283.75	282.62	244.29
_	<del></del>						<u> </u>		ED 187	EDECT	$\neg$		-	
	<b>'</b>		-are				l	LIX	ED INT YIELD		[ ]	Thurs.,	Wed.,	Year
	FIXED INTEREST PRICE I		INDICES	i		1	British		Gross Rec	L	Aug.	Aug. 20	290 (25540x.)	
	<del></del>						L							
	•	Thurs,	Day's	zd a	آب∫ ت	adj.	1	Low		5 years		11.94	12.10	9.95
В	ritish Government	Aug.	change	e toda	y   1	980Í	2	Coupons		5 years		11.94	12.10 12.10	10.47
		21	%	[		date	3	<u> </u>		5 <u>years</u>		11.94		10.98
		704.07	- 6 65	1	<del></del>	7.60	4	Medium	_	5 years		13,42	13.44	11.89

	British Government	Thurs., Aug. 21	Day's change %	nd adj. today	xd adj. 1980 to date	1 2 3		15	years years years	{	11.94 11.94 11.94	12:10 12:10 12:10	9.95 10.47 10.98
1	Under 5 years	104.87	+0.08 +0.18	-	7,42 8,64	4 5 6	Medium Coupons	15	years years years		13.42 13.37 13.33	13.44 13.40 13.35	11.89 11.98 0.00
2 3 4	5-15 years	115.66	+0.18	-	9.03 7.24	7 8 9	High Coupons	15	years years		13.58 13.76 13.58	13.61 13.78 13.59	12,26 12,46 12,37
5	All stocks	110.01	+0.15		8.22	10	Irredeemak			_1.	11.53	11.54	10.75
			ļ	hurs., Au	<u>~</u> ^	ed. ug.	Tues. Aug. 19	Mon. Aug. 18	Friday Aug. 15	Thurs Aug. 14			Year   Year   ago  (approx.)

Coml. and Indl. Prefs, (20) 67.15 | 13.34 | 67.23 | 67.23 | 67.23 | 67.23 | 67.23 | 66.97 | 66.98

20-yr. Red. Deb & Loans (15) 53.58 113.83 54.29 54.32 54.35 54.29 54.29 54.29 54.37

Investment Trust Prefs. (15) 51.06 | 13.19 | 51.12 | 51.12 | 51.12 | 51.12 | 50.52 | 50.52 | 50.76



## **ACTIVE STOCKS**

4		740.				
	)enomin	a- of	Closing	Change	1980	1980
Stock	tion	marks	price (p)	on day	high	low.
LASMO	25p	19	680	-20	830	337
GEC	25p	10	506	+10	508	326
Marks & Spence	r 25p	10	105	+ 2	105	77
ICI	£1	3	362	- 6	402	348
Racal Elec	25p	8	291	+ 6	291	175
Thorn EMI	. 25p	8	364	+10	368	260
Barclays Bank .	£1	7	425	+ 5	439	327
Commercial Un	ı. 25p	7	168	- 1	171	125
Distillers	<b>50</b> p	7	215	+ 2	222	184
Royal Insuranc	e 25p	7	420	- 5	425	307
Tphone Rental	s 25n	7	269	+ 7	280	176
Unitech	. 10p	7	347	+21	347	195
Assoc. Dairies	25p	6	208	+ 6	208	160
BAT Inds	. 25p	6	285	+ 5	290	223
BSR	. 10p	6	20	_	42	18
l						

## **OPTIONS**

Deal- Declara- Settletion ment Aug. 18 Sept. 5 Nov. 20 Dec. 1 Sept. 8 Sept. 19 Dec. 4 Dec. 15 Sept. 22 Oct. 3 Dec. 18 Dec. 29 For rate indications see end of Share Information Service Stocks favoured for the call included Lonrho, Coral Leisure, Petroleum, Shell and BSG.

P &O Deferred, Sun Oli, Charter house Petroleum, Cons. Plants. Warrants, Higgs and Hill, Baker Electronics. Dunlop, Cooper, Poseidon, Marchwiel, Chubb, Ultramar and Tebbitt. Puts were made in Racal and pleted in Lonrho, Charterhouse

# RECENT ISSUES

# **EQUITIES**

Issue Price p:	럞	8 2 2 3 3 3 3	19	980	Stock Stock				8 2	물달	۽ س	
		15 20	High	Low	) SOUR		+ or	igo §		25	- 8	
560 68 581 55 160 951 861 (57	F.P F.P F.P F.P F.P		352 112 65 100 260 96 153 78 70 85	346 91 72 80 215 74 135 67 56 73	BP Restricted Trans ##BakerElectrnics III; Charterh's Petrol' in Energy Capital (12:p #Hall Bros. Home Farm Prods III; ##Marinex 10p. ##Rolfe & Noland IIIp, ##Shackleton Petrol. #Utd. Electronic 20p.	110 85 88 260 92 138 72 64	+1 -5 -1 -2 +21 <sub>2</sub>	17.5 53.85 51.09  52.9 t1.0	2,0 4,0 - 2.5 - 3.5	5,0 1.9 4.5 2.0	11.6 19.3 12.6 20.3	
FIXED INTEREST STOCKS												

9		ᇍ		e [	1980		Stock	£ 8	÷ 1
Insura Price	<b>E</b> .	ŽŽ.	اع دا	Hi	gh	Low	alber	캶	_
11 9 4 11 4.4.	8	£10 F.P. F.P.	19/9 28/1	1:10	8¾ 9 2 5i:	16 9 100 101 1 <sub>2</sub>		1614 9 10019 104	l

# "RIGHTS" OFFERS

ssue . Price	m'unt	Re	atest nunc. Date	1980		Stock	obin. Todes	+ 0	
p:	돌	●		High	High   Low		ᇂ╸	<u> </u>	
65	F.P.	5:8	1/9	107	88	Anderson Stratholyde	107		
132 i	F.P.	23:7	8/9	178	146	Berisford (S. & W.)	178~	+2	
34			29/8	56		Clive Discount	50	l	
92		30/7		138		Coalite	156		
50			22/8			Crest Nicholson	95pm		
15			19/9			Derritron	30pm	-2	
100		15/8	12/9			Ferranti	420	+ 18	
80				1104		Lonrho	96	1+1	
120			26/8	150		McKay Secs	145	1	
52			26/8	81		Mallinson-Denny	6812	_12	
220 !	Nil :					Mercantile House.	75pm	i–ı"	
14	Nil	_	ł _	313pm		Moorgate Mercantile	2 lapm	+19	
75 i		20/8	10.9	110		Polly Peck	94	+1	
10	Nil	13:8	3/9	3½pm		Sturia	1000	l	
1212	F.P.	31,7	26/8	151	1112	Thurgar Bardex	12 i <sub>2</sub>		
	<u> </u>					· -			

Renunciation date usually last day for dealing free of stamp duty, b Figure based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed I Cover allows for conversion of chares not now renking for dividend or renking only for restricted dividends. § Placing price to public. pt Pence unless otherwise 

# UNIT TRUST SERVICE

# **OFFSHORE &**

N.V. Interbebeer

N.V. Interpenser P.O. Box 526, Delft, Holland Esmeralda (Iss. Price) (1957/53 International Pacific Inv. P.O. Box R237, '56, Pint St., 'Javelin Equity Tst. .... (483.56 Mant. Ltd.

Lazard Brothers & Co. (Jersey) Ltd.
P.O. 8ox 108, St. Helier, Jersey, C.1. 0534 37361.
LB. External Fund....|US\$1073 11.43ef .....| 0.10
Lloyds Bk. (C.1.) U/F Highrs.
P.O. Box 195, St. Heiller, Jersey.
Lloyds Tst. O'seas.....|6,1,6
Lloyds Trust Gesting August 28.
Lloyds Trust Gesting August 28.
Lloyds Trust Gesting August 28.
Lloyds Trust Gesting August 27.
Lloyds Trust Gesting August 27.
Lloyds Trust Gesting August 27.
Lloyds Trust Gesting Aug. 27. Lloyds Bank International, Geneva P.O. Box 438, 1211 Geneve 11 (Switzerland) Lloyds Int. Growth SF5160 5515 ..... 0.60 Lloyds Int. Income \$237.0 298.0 .... 6.0

Micland Bank Tst. Corp. (Jersey) Ltd. 28-34. Hill St., St. Heller, Jersey. 0534 3621 

# Murray, Johnstone (Inv. Adviser) 163, Hope St., Glasgow, (2. 041-221 5521 Managed Fund 15: USS39.77 Managed Fund 15: USS39.77 Managed Fund 15: USS39.77 Managed Fund 16: USS39.77 Managed Fund Managed Fund 16: USS39.77 Managed Fund Managed F

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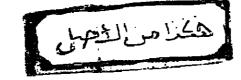
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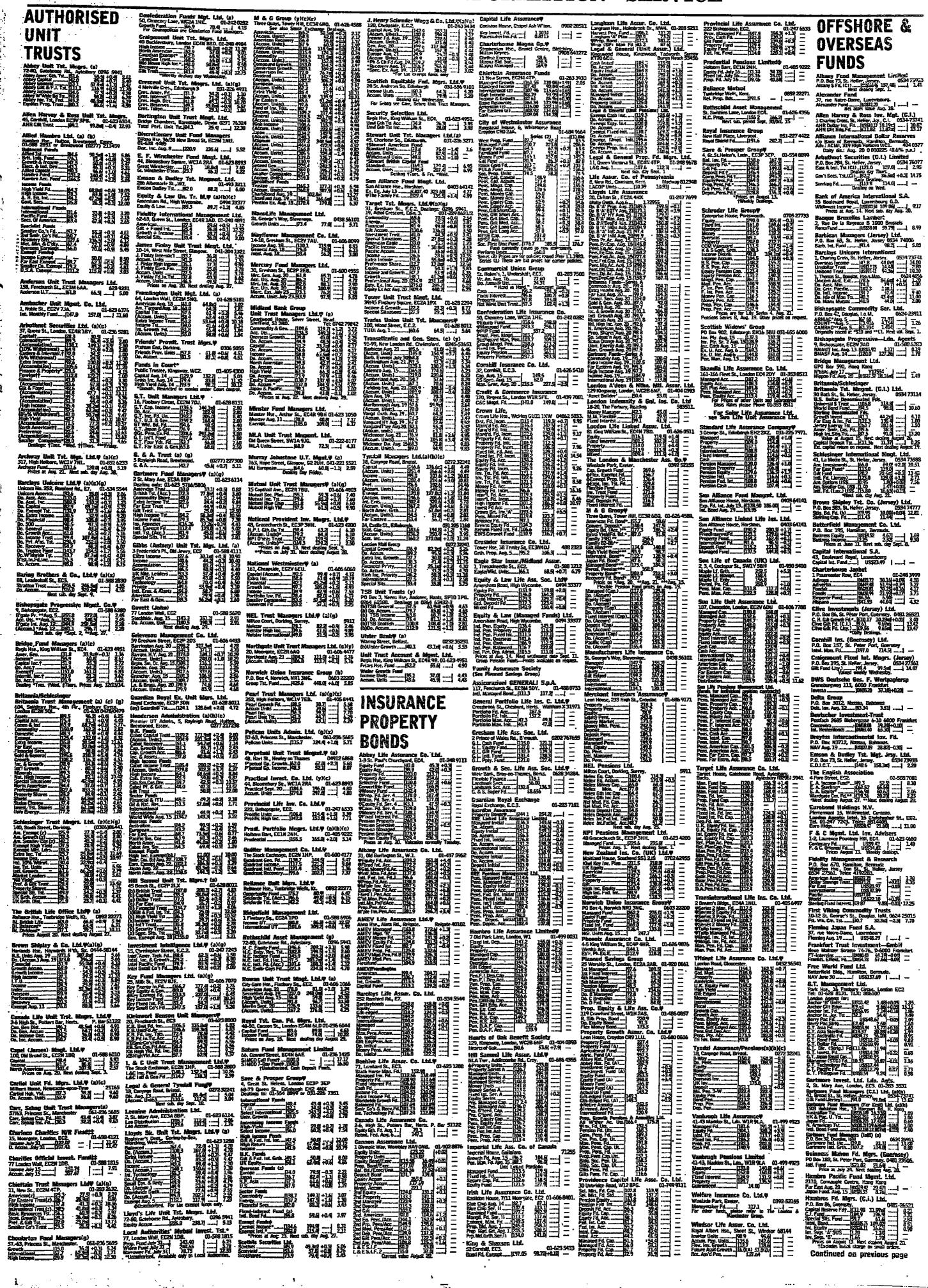
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· T. ROW

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#### TRUST INFORMATION SERVICE



# SHARE INFORMATION

Public Board and Ind.

Agric Mt 50c 79-89 | 59 | 8.47 | 12.89

Alcan 10/spc 79-94 | 8052 | 14.65 | 15.60

Met. Wtr. 3pc 78 | 274 | 18.91 | 13.90

U.S.M.C. 9pc 1992 | 100 | 9.16 | 
Do. without Warrants | 9052 | 10.19 | 13.99 56/2 Agric. Mt. 5pc '99-89 | 773/2 | Alcan 107-pc '89-94 | 25 | Met. Wtr. 3pc '8' | 27 | 89 | U.S.M.C. 9pc 1982 | 185/2 | 100. without Warrants | 9 | Financial **BRITISH FUNDS** FOREIGN BONDS & RAILS

1980 | Stack | Price | + er | Dir. % | Red. |

82 | 43 | Antofagasta Riy... | 55 | ... |

98 | 98 | Chilesan Missed ... | 98 | 3 | (3.18)

55 | 50 | Do. Spc Pref. ... | 55 | ... |

98 | 98 | Chilesan Missed ... | 98 | 3 | (3.18)

65 | 18 | Do. Spc 1912 ... | 12 | ... |

24 | 13 | Do. Spc 1913 ... | 14 | ... |

24 | 15 | Do. Spc 1913 ... | 15 | ... |

25 | 28 | Greek 7pc Ass... | 35 | 35 | (10.17)

35 | 28 | Greek 7pc Ass... | 35 | 37 | (10.17)

35 | 21 | Do 6pc 22 Stat. Ass... | 32 | 37 | (10.17)

35 | 31 | Do 6pc 22 Stat. Ass... | 32 | 37 | (10.17)

35 | 31 | Do 6pc 22 Stat. Ass... | 32 | 37 | (10.17)

36 | 37 | 11 | Do 90 | 10 | 10 | 10 |

874 | 77 | 11 | Do 90 | 10 | 10 | 10 |

874 | 77 | 11 | Do 90 | 10 | 10 | 10 |

874 | 77 | 11 | Do 90 | 10 | 10 | 10 |

875 | 50 | Soft 16 | 60 | 10 | 10 |

876 | 70 | 10 | 10 |

96 | 96 | Urusquay 3 | 20 | ... |

96 | 96 | Urusquay 3 | 20 | ... |

97 | 39 | 39 | ... |

98 | 3 | 70 | 11 | 11 |

98 | 96 | Urusquay 3 | 20 | ... |

99 | 96 | Urusquay 3 | 20 | ... |

90 | 96 | Urusquay 3 | 20 | ... |

90 | 96 | Urusquay 3 | 20 | ... |

90 | 96 | Urusquay 3 | 20 | ... |

90 | 96 | Urusquay 3 | 20 | ... |

90 | 96 | Urusquay 3 | 20 | ... |

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90 | 90 | 11 | 11 | ... |

90 | 90 | 11 | 11 | ... |

90 | 90 | 11 | 11 | .. Pears

| 125 | 138 | 138 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | 1990 | Over Fifteen Years Years

97-1-1-1 1351 1364
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1 Undated **CORPORATION LOANS** CURPURATIO

835, Bath 114 ac 1985...

872, Barm Pate 12 ac 1985...

872, Barm Pate 12 ac 1985...

874, Barnley 13 pc 1987...

874, Barnley 13 pc 1987...

874, Barnley 13 pc 1987...

874, Co. 12 ac 1983...

875, Glaspow Pate 180-82...

875, Glaspow Pate 180-82...

875, Glaspow Pate 180-82...

875, Glaspow Pate 180-82...

875, Los. Cop. 13 ac 20 84...

876, Do. Sage 198-85...

10. Sage 20 84...

10. Sage 20 84...

10. Sage 20 84...

11. Co. Sage 22 84...

12. Sage 23 84...

13. Sage 20 84...

14. Sage 23 84...

15. Sage 24 84...

15. Sage 25 84...

16. Sage 27 86...

16. Sage 27 86...

17. Sage 27 86...

18. Sage 27 SPECIAL PROPERTY SERVICES CANA
8659 Bk. Montreal \$2...
8709 Bk. Nova Scot. \$1
6659 2ell Carasia \$93...
4859 Bow Valley||
8209 Brascan||
8209 Can. Pacific \$5...
83 Guiff Oil Cacul...
84 Guiff Oil Cacul...
8500 Hudson's Eay ||
8500 Massey Ferg.||
8500 Tor. Dom. Bk. \$1...
8150 Trans Can. Pipe... COMMONWEALTH AND **AFRICAN LOANS** Aust. 51-pc '81-82 ... Do. 6pc 1981-83 ... N.Z. 71-pc 1988-92 ... Do. 71-pc '83-85 ... Sh. Africa 9-pc 79-81 ... S. Rhod. 22-pc Non-Ass. Do. 6pc 78-81 N.-As. FINANCIAL TIMES

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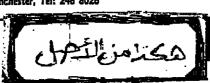
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		BUILDING TIMBER			os		154 152 72 124 44 17	92 104 53 80 80	Home Charm House of Fra House of Len James (Ernest): Kitchen Queen Kunick 10p.	10p 103 ser 147 se 61 10p 110	+1 -2	12.3 6.0 5.26 11.65.75 61.4 10.77	5.6 23 191 3.0 291 261	73 44 32 5.9 58 10 0 23 5.4 4.9 (7.6) 7.4 2.1 1.0 3.9	悦	11
140 170 37 109 46 252	79 117 29 451 <sub>2</sub>	Aracliffe 10p	154 35 <sup>1</sup> 2 103	5.75 8.44 1.58 4.4 2.66	31 6 21 7 41 6 24 6 34 1	3 73 (3(7.6) (3 42 (3 83 (26)	49 225 165 125 39 35	36 115 148 84 22	Ladies Pride Lee Cooper Liberty Do, Nor. Vig. Lincroft K. 7	20p. 41 167 150 Drl. 84 10p. 22	+1	3.4 12.74 3.4 3.4 \$4.05	27] 82 02 02 17	18 54 23 54 32 — 58 — 21 07 —	246 527 66 23 118	4 3
26 23 25 25 25 25 25 25 25 25 25 25 25 25 25	148 41 14 100 29 63 231 2	BPS Inds, 50; Baggaridge Brk., Bailey Ben 10; Barrati Dev, 10; Beechwood 10; Bellway	159 +2 22	9.0 3.75 tol.2 110.26 2.2 7.0	4111 2614 2614	5 25 3 23 3 23 3 23	89 105 202 257 32 162	20 45 77 180 <sup>1</sup> 2 195 18	Lowland Dra; MFI Furniture Marks & Spe Martin New Menzies (J.) Michael (J)	10p 53 ncer 105 s 196 s 255 10p 25		2.62 3.4 18.5 6.0	3.0 21 4.0 5.2	7.1 5.6 4.6 15.0 6.2 4.3 3.4 6.1	64 59 80 43	444
85 388 119	38 59 238 101	Bentox 10p   Bentord M. 10p   Bett Bros. 20p   Blockleys 20p   Blue Circle £3   Breedon Line	33 81	123	24 6 38 9 1811 26 4	15 (M) 19 66 14 51 17 113 17 95	266 *130 90 122 135	134 190 69 94 77	Milletts Leis. Mothercare 1 NSS News 1 N'thn. Goldsn Oliver (G.) " Owen Owen.	Op. 250 Op. 126 No. 70	+8	6.95 5.0 3.4 3.25 4.0 3.7	3.4 4.8 3.7	6.1 6.4 2.9 14.8 3.9 8.1 6.6 4.7 5.0 3.8 4.6 5.7	# #	7772
25 *22 100 69 800 215	18 120 82 51 470 470	Brit. Dredging Brown Jasn. 20; Browniee Bryant Hidgs Barnett & Hallam Bart Boulton S1	126 55 68 +2 775 +5	19.0 5.0 14.0 8.0 430.0	扫象	- 283 12(33) 13 55 14 30 5 105 7 28	30 51 74 1142 77	14 341 <sub>2</sub> 48 6 58	Paradise (B) Pawson (VI. Peters Stores Polly Peck 5 Preedy (Alfr Pullman R. &.	L). 35 105. 60 10 50 10 50	+2 -1 +7	3.15 105.0 3.35	421 421	29(7.7) 7.1 3.6 8.2 0	1 36	3
38 31 31 41 89 55	29 20 27 13 2 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2	C. Robey 'A' 10g Cal'rder (GM) 10p Carr (John) Carron Cement Production	34 31 22 +1	23 0.65 10.36 123 4.62 255	37 9 42 8 40 6 35 11 28 7	39 39 72 72 03 61 80 80	S. SERVING	7 42 54 141 <sub>2</sub> 56	Ramar Text. Ratners 10p Raybeck 10p Readicut 5p Reed Austin	600 68	43 12	053 23 40 125 336	331	0.7(25) 5.5 8.4 6.0 2.3 5.1 7.3 5.3	36 210 114 27 60 108	17 8 1
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58 68 130 69 74 53 43	74 50 98 73 54 73 73 73 73 73 74	Crouch Group Dougles Robt. M., O'eming G.H. 50p Enth Fairclough Cons Feb. Intl. 10p	63 73 +1	14.0 644.5 2.75 13.75 4.0 62.45	25 10 4 10 25 8 33 7	의 4.7 9 5.8	85 48 201 <sub>2</sub> 33 76 75	61 39 144 16 57	Stanley A.G. Stead. & Sim Steinberg 10 Sumrie 20p. Time Prods. 1 Tricoville 10	A 1527	-1	425 325 11 15 225 225 222	2.59 3.8 3.7 6.6	9.4 4.9 9.7 3.7 4.3 7.0 5.4 3.8	47 57 68 62 18	34 34 10
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49 101 40 25 185	19 32 35 62 30 36 96	Gleson (M.J.) 10p. Gleson (M.J.) 10p. Glossop W. & J. G'gh Cooper 20p. H.A.T. Grp. 10p Heliczi Bar	20 40 161 38 at	125 1233 42 56 20 275	26 7 26 7 26 7 27 13	.9(5.5) 5 6.0 .1(3.9)	61 70 79 711 <sub>2</sub>	48	Wearwell Sp Whar! Mill 10 Willosn Wart Woolworth	CTR	2+1	25 \$40.6 \$6.29 \$4.92	1914 13	달 <u>수</u> 19 44 17,7	112 170 83 74 31 68	70 100 7. 41 1.5
55 87 96 . 76 . 75	421 <sub>2</sub> 47 45 59 58 19	Henderson (P. C.). Hewden St. 10p Heywood Wins. Higgs & Hill Hoveringham Do. Res. Vtg	146 45 57 57	8.0 h1.25 4.9 3.65 2.79 2.79	54 3 1914 32 6 41 6 41 6	.7(5.1)   8 5.1 8 5.1	194 223 122 73 139,	130 168 82 47 8	A.B. Electron ††Air Call Amstrad Arlen Elect ††Ascot TV R	nkc. 194 205 98	+4	†7.0 62.63 563.3 †66.0	3.G 4	5.2 6.4 L8 24.8 1.8 (7.8) 5.8 5.2	88 45 45 83 61 39 24	33.64.33
28 72 75 126 139	51 55 97 97 7	Howard Shut 10p  LD.C. 20p  LD.C. 20p  Ibstock Johnson  Int. Timber  Janvis (J.)  Ti Jappian	28 65 -2 191± 134 50	20 ht4.6 4.5 8.9 12.0 	6 19 21 10 24 9 23 22 3 13 08 3	0 68 9 52 6 42	9 4 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	4 200 95 18 80	Audiotronic 1 00.12pc Ptg. F Auto'ted Sec. BICC 50p BSR 10p Berec	rei 4 10p 349	+2	B- 12.0 8.57 2.83 5.49	22	521.1 1.9(5.9) 1.2(7.1) 1.1(6.7)	76 2002 278 67 92,	35 20 5
51 15 5283 61 145 102 82	42 15 41 1042 76 59	Jensing SA0.50 Jones Edwd. 10p. Laizer S.A.F100. Laing (John) "A" Latham (J.) S1. Lawrense (W.). Leech (Wm.) 20p	141 <sub>2</sub> 225 +2 210 +2 67 +3	622.5% 2.37 9.1 7.00 16.64	9 8 42 7 0 11 2 9 10 1 6 14	6 0 5 43 8 6 9 51	39 78	87 24 22 401 <sub>2</sub> 15 29	Bowthorpe 1 Brocks 1Gp Bulgin 'A' 5p Chloride Grp Concord Rota CrayE' tronic	25 38 46 10s 17s		2.7 1.28 1.35 4.0 10.52 2.0	궤		154 29 19 19 19 19 19 19 19 19 19 19 19 19 19	103 150 250 250 250 250 250 250 250 250 250 2
48 89 83 146 69 185	29 75 55 20 127	Leyland Paint Lilley F.J.C London Brick Lovell (Y. J.) Häckaudilo & H Magnet & Stins	31 89 731 <sub>2</sub> -1 <sub>2</sub> 134 53	3.0 3.85 4.37 15.75	23 13 41 6 32 8 42 6 29 13 29 6	E 37 2 53 5 52 1 37 5 71	33550 135739863	12 25 25 25 25 25 25 25 25 25 25 25 25 25	Crystalate 5c Dale Elect. 1 Derritron 10 Dewhurst 'A' Dowding & M. Dreamland 1 Dublilier 5p	100 121 100 32	177	116 412 0.57 40.92 41.5 61.27	아 127 22 년	3 17.8 4 4 26 — 2 (91) 3 6.8 6 7.9 10 13.9	113 65 70 54 550 19 66 312	7/ 3/ 2/ 46 3/ 30
*801 <sub>2</sub> 160 101 205	44 133 78 170 64 44	Maßisson-Desny. Manders (Hidg) Marchwiel Marshalls (Hix) May & Hassell M.D.W	69 142 +4 96 -1 1204	3.75 4.4 6.0 9.0 4.6	29 7, 27 4 38 8 35 7, 34 8, 3810	8 51 4 9.7 9 32 1 (4.6) 9 3.6	720 30 121 155 30 30 30 30	413 21 87 97	Electicomps ) Electronic Ma Elect. Rentals ( Emess Lighti Energy Servs. ) Eurothern Int. 1	Op. 7202 ct. 28 29 106 ng 155 Op. 352	+15 +4 +5 +1 +13	8.75 4.31 16.0 0.62 64.5	41 1 15 5 3.0 5 3.6 2	.7202 - 235 .8 044 .5 7.0 4 132 20 17.4	19 66 312 105 29 142 28	240 240 18 18 87
57 120 137 137 137 137 147	73 46 74 64 23 23	Meyer (Mont. L.) Milbury Miller (Stas) 10p Mixconcrete Mod. Engineers Monk (A)	50 52 55 12/ <sub>2</sub> 74 30	4.9 d1.4 4.05 3.0 1.25	3.0 10. 4.6 12 1.2 16. 2.0 7. 2.4 14. — 5.	7 18 0 72 8 64	377 *417 86 123 508 120	228	Farnell Elec. 1 Ferranti 50p Fidelity Rad. 1 Forward Tec G.E.C Hawthorn L. 5	377 417 10a 32 119 586	+12+17	4.0 H6.0 5.66 75.6 8.25 13.25		5 20.4 2 1 16.0 3 (4.9) 1 9 13.9 1 1 17.6	28 55 145 216 205 105	20 44 99 146 128 70
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**ELECTRICALS—Continued** ENGINEERING MACHINE TOOLS

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"Tap Stock."

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Holdings 50c ... | 200 | C35c | C35 Finance **OPTIONS** \$134, 900 | Ang, Am, Coal SOL., 720 | 485 | Angslo Amer. 10c., 1244, 2304, Ang, Am, Gold R1 | 5194, 2132, Ang, Vaal SOL., 728, 134 | Charter Cors. 2p., 157 | 325 | Coas, Gold Fields. 94 | 177, 2 East Rand Con. 10p. 958 | 650 | Gencor 40c., 523 | 5273, Gald Fields. S.A. 25: 530 | 325 | Lindgle Wit 25c., 365 | 325 | Minorer SRO1.A0 | 325 | 325 | Minorer SRO1.A0 | 326 | 325 | Minorer SRO1.A0 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 326 | 32 3-month Call Rates | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 Investment Trusts 18 69197
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Rus. Plat. 10c..... ### 172 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 | 1-10 |

REGIONAL MARKETS

following is a selection of Landon quantitions of shares proviously at early in regional markets. Price; of 11th lastes, most of which are officially listed in Landon, are as quoted on the Irish exchange. -12 +15 +15 -17 service is available to every Company dealt in on Stesk inges throughout the United Kingdom for a fea of 6500

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# FINANCIALTIMES

Friday August 22 1980



GEC AND VICKERS WILL PRESS FOR CHANGE IN ACT

# BAC compensation of £95m agreed

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GEC and Vickers, the original shareholders in the now nationalised British Aircraft Corporation (Holdings). have accepted compensation totalling £95m for their quoted securities in that organisation. But they are expected to press for more, either through the UK Government or the European Court of Justice.

The compensation, of which £40m has already been paid on account, was announced jointly yesterday by the Department of Industry and Mr. P. J. Grant of Lazard Brothers, the shareholders' representative.

The companies remain dissatisfied with the compensation because it is based on average share values in the six months up to February 28, 1974, whereas actual vesting day was April 1, 1977. On that day, BAC (Holdings) became part of British Aero-

In the intervening time, the profits of British Aircraft Corporation had multiplied several times and, the com-panies claim, the value of BAC on vesting day was closer to £250m than the £95m now being paid.

Despite vigorous profests by GEC and Vickers over the past few years, they have not

heen able to persuade either Labour or Conservative Governments to change the air-craft and shipbuilding nationalisation Act.

Earlier this month, Sir Keith Joseph, Industry Secre-

tary, told-the Commons that the Government had come "to the most reluctant conclusion that there is no satisfactory way to alter the 1977 compensation terms.

He said that while the Government had explored every possibility of righting the injustice done to shareholders by the previous Government, "to our very great regret we have concluded that amending legislation to establish new compensation terms retrospectively would he unjust to the many people who sold shares on the basis of the previous terms."

Sir Peter Matthews, chairman of Vickers, said yesterday: "We have accepted the settlement announced because we have been advised that this is the best we can

(Holdings), said it was accepting the compensation only for want of a better alternative. But GEC intended to seek the fair compensation to which it was entitled in accordance with international standards and obtain redress to "right the injustice" done by the original nationalisation Act.

"It is a plain fact that the basis of compensation for GEC's sharehoulding in BA is not in accordance with the international standarsd to which the Government professes to subscribe."

Last year the Government made its final offer for Vickers' nationalised warship huilding interests but the company was unable to accept the terms. The matter has been referred to arbitration.

# Unions seek end to Labour row

BY CHRISTIAN TYLER, LABOUR EDITOR

TRADE UNIONS affiliated to mission of inquiry, putting pres- matically internal party wrangling on con- on the three-year rule.

tional amendments cannot be finances—to which they are the debated more than once every greatest contributors—as a conthree years, in the hope of get- dition of paying the full ting a conclusion to the row at increase. this Octboer's annual party conference in Blackpool.

sidering whether to withhold suggested that some of the in-

the Labour Party may use their sure on the national executive financial muscle to try and halt committee to reverse its position The unions will almost cer-

They want the party to tainly demand greater influence reinstate the rule that constitu- over the management of party

This was the overwhelming view at a meeting of the major Since trade unions are con- affiliates in London. It was also

treasury. It was agreed to raise the trade union subscription rate from its present 32p per head constitutional issues—control of per year to 40p next year. But the manifesto, election of the payment of the further increase, leader, and re-selection of MPs. 50p in 1982, is liable to be hedged round with conditions. national executive, dominated

ference when their committee, Trade Unionists for a Labour Victory, is due to meet again. The general mood of this the full increase in their party crease should be paid at local week's discussions was that, as subscription recommended by level to boost the party's shaky principal paymaster, the unions the recent Labour Party commended by network rather than go auto-should have more control. Darty affairs.

the central especially when such a leap in subscriptions was being pro-I to raise the posed. They are fired of the constant re-opening of the main

achieve within the terms of

growing awareness in the mids of our stockholders, the public

and Parliament that the Act

itself is unfair and this is

reflected in the press.
"A reasonable valuation of the business at the time of

vesting would have been of

the order of twice the sum an-

"Our acceptance of this settlement has been made

without prejudice to our right

to continue to seek to persuade the Government to amend the

Act and to any additiona

sums that may thereby become

A statement from GEC,

whose wholly-owned sub-sidiary, English Electric, was the shareholder in BAC

We believe that there is a

the existing Act.

nounced today.

payable."

A definitive statement of the by the left, responds to the unions' demands may emerge challenge. Relations between just before the Blackpool conthe NEC and trade union leaders are not always good. Union leaders tend to accuse NEC members of self-centred nower-mongering, while the

# Licensed dealers sue Stock Exchange

BY CHRISTINE MOR

Exchange, has issued a writ against the Stock Exchange individuals on the list). council claiming damages of up

which, though neither stock- entry on the VIP register. jobbers, licensed by the Department of Trade to deal in securities.

of professional dealers which of Burmah Oil when they were receive large discounts on suspended on the market. claims that having to pay full said, there has been "continuing dealing rates is costing it persecution."

Weather

UK TODAY

CHANGEABLE, drier in south

London, S., N.E. England, Mid-

lands, S. Wales, Channel Isles

N. Wales, Isle of Man. N.W.

Scattered showers, s intervals. Max 17C (63F).

Engiand, S. Scotland

N. Scotland

26 79 Lisben 32 90 Locamo 17 63 London

79 Malta 59 Mchstr.

73 Steinm

75 Tangler

59 Valencia 77 Venice 63 Vienna

sunny

Max 20C (68F).

Mostly dry, sunny periods.

HARVARD SECURITIES, a firm unlawful and/or capricious advance—the Stock Exchange dealer's licence and until of licensed dealers whose share refusal of the Council to grant issued a statement which recently this had been easily dealings are individually an exemption to Rule 211" cleared Harvard of creating a obtained. Mr. Wilmot alleged monitored by the Stock (which requires members to false market in shares but that the council had recently let

managing director and largest shareholder with 45 per is the Stock cent of the equity, claims that Exchange Council's refusal to it dates back to 1975 when enter Harvard on a special list Harvard tried to trade in shares Since then, Mr. Wilmot has

Continued from Page 1

Investment

"the unreasonable and/or and vendors are matched in a reference before it issues a probably drop his action.

charge full rates to all but announced that all its share it be known that members of the dealings were to be monitored. Stock Exchange should not give The row between Harvard and the Stock Exchange goes much vard claims "damages for libel work for Harvard.

further than the single issue of contained in" the Stock Ex
Mr. Wilmot estimates the chage's statement at the time tangible costs

> which printed articles has been engaged in an "un-

"The sort of problem we have references from stockbrokers for ing but admitted that, if the

Mr. Tom Wilmot, Harvard's and repeated in newspapers business at about £250,000 a year and believes the intangible Harvard is also claiming losses suffered could be of the general damages against the same order. With the case not council which, the writ claims, expected to come to court for three to four years he will therelawful conspiracy to injure the fore be asking for damages of plaintiffs in their trade." as much as £2m.

He denied an accusation that had to face," Mr. Wilmot said. the action was not intended to being unable to get develop as far as a court hear-£160,000 a year in lost revenue. Last year, as part of a wider references from stockbrokers for ing but admitted that, if the The writ alleges that this study into Irregular "put our dealers." The Department Stock Exchange entered the firm damage to its business is due through "deals—where buyers of Trade normally requirers such on the special list, he would

# Writ could worsen Channel chaos

BY OUR SHIPPING CORRESPONDENT

widespread view that invest-ment is low and sluggish in the UK. A possible explanation is that companies have been increasing investment in labour-saving plant. Further official figures

esterday show that the pricecutting and sales promotion campaigns of the last few months have brought a substantial fall in stocks of finished goods of wholesalers and retailers, but there has been a much smaller fall in manufacturing stocks.

Retailers' stocks dropped

Showers, some heavy, bright periods. Max 15C (59F). by £237m at constant 1975 OUTLOOK: Mostly dry and sunny, showers in N.E. prices in the first half of this year. the largest fall on record. But stocks remain historically high relative to sales. The £179m drop in wholesalers' stocks in the WORLDWIDE first half of 1980 is the highest since 1975.

Manufacturing stocks fell by only £14m between March and June after a drop of £471m in the previous three

In total this is slightly larger than the drop in the first half of 1975 in the last

Continued from Page 1

# Reed Paper

£2.9m. Sir Alex Jarratt, the chairman, warned that future UK production of commodity grade papers such as newsprint and case-liners was the subject of "deep and active study."

Reed said last night that it was losing about £50 a tonne on the capacity that it has decided to close. The machines to be closed are the No. 6 Inverform, which makes 80,000 tonnes a machine, which makes 6.000 tonnes a year of hard tissues: and No. 9 machine, smallest of the company's three newsprint machines, producing 45,000 tonnes a year.

DISPUTE over an unpaid they enter and leave a UK bill for £12,564 threatens to add to the chaos now prevailing on the cross-channel ferry ser-Under the 1979 Merchant

vices. Trinity House, the main UK pilotage authority, has served a writ on the Prince of Brittany, a French ferry, for failing to pay pilotage dues. The writ expires on Tuesday. If Brittany Ferries, the French

owners, do not pay up, the ship could be seized. The French company has warned that, if this occurs. French port workers will refuse to handle UK ferries and all cross-Channel traffic will be halted.

The dispute has arisen be-cause Brittany Ferries, in common with other foreign ferry at a competitive disadvantage compared with UK ferries since Its ships have to take on pilots and pay pilotage dues every time port. British ferries do not need

Shipping Act. foreign ferry captains are eligible for pilotage certificates which would free them of the need for a UK

The certificates would be issued by the pilotage authorities, hut their staff are concerned that their jobs could be at risk if too many certificates are issued to foreign captains. Although the sums of money involved in the writ are small.

both Brittany Ferries and Trinity House see a principle at stake. Brittany Ferries claims it is being discriminated against; the pilots argue that the French company is breaking the law by not paying its

# French blockade violence fears

vesterday after a warning by M. Raymond Barre, the Prime Minister, that he might use the Navy to ensure oil supplies.

Fishermens' representatives meeting at Martigues,

A THREAT of violence hung Marseilles, to discuss a possible over the French port dispute settlement which would lead to a lifting of the blockade of the

key oil terminal at Fos-sur-Mer. The fishermen's dispute continued to prevent ferry traffic and local authorities were between France and England. near Page 2

# Bundesbank relaxes monetary policy

By Kevin Done in Frankfurt

THE BUNDESBANK, West Germany's central bank, is to make more than DM 5.5bn (£1.3m) of extra liquidity permanently available to the Federal Republic's banking system in a further cautious relaxation of its tight monetary policy.

It has, however, resisted pressure—chiefly from the trade union movement—for more far-reaching action to stimulate the flagging economy.

Yesterday's central bank council meeting, the first since the summer break, decided against lowering the key discount and Lombard interest rates. These are at a post-war record.

The Bundesbank said intended instead to cut the banks' minimum reserve ratios by 10 per cent across the hoard on September 1, to create at least DM 5.5bn long-term extra

This step establishes more permanently the careful openng made by the Bundesbank at end of July, when it made DM 5.4bn of temporary liquidity available to the banking system.

That action, in which extra securities could be parked by commercial banks with the central bank at an interest rate of 9.2 per cent, just below the 9.5 per cent Lombard rate with the discount rate at 7.5 per cent) ends next Tuesday. From the start of September banks can enjoy this extra room for manocuvre permanently, through lowering of minimum

The Bundesbank is confident hanks can bridge the period be-tween the two actions, as they have not taken full advantage of the present minimum reserve levels. The last move to lower the banks' minimum reserve ratios was at the end of April, when an 8 per cent cut was impicmented.

The argument over the timing of a cut in interest rates will sharpen over the next few weeks. The West German General Election is due at the start of October.

The Bundesbank recognises that economic activity is heginning to slow significantly, but it faces a dilemma over interestrate levels because of the conlinuing necessity of financing this year's expected record deficit of DM 25bn on the current account of the balance of payments through capital im-

After facing a rapid flight of capital from West Germany in the early months of the year, when currency reserves fell by more than DM 20bo, the Bundesbank has gone to great lengths to ensure that the D-mark keeps its position as a hard currency.

As part of this strategy it has held steadfastly to the current

record interest rates while ensuring that monetary policy left sufficient room for a modest expansion of the economy.

A move to lower key interest rates is still likely in the next few weeks, but the Bundesbank chose to concentrate attention for the moment, on influencing have fallen considerably since

# Times peace talks adjourned

BY NICK GARNETT, LABOUR STAFF

NEGOTIATIONS journalists and management at The Times aimed at averting a year of multi-ply liners, for strike from noon today were corrugated cases; No. 8 adjourned last night until this morning.

Advisory.

The dispute is over the management's refusal to grant a Yesterday's talks lusted all 21 per cent pay recommendaday at the offices of tion made by an independent arbitrator for the paper's 270 Conciliation Arbitration Service. iournalists.

Representatives of the man-The management told the agement and the National Union journalists earlier this week of Journalists declined to comthat it could not afford to ment when they left ACAS improve on its original 18 per cent pay offer.

Members of the NUJ Chapel (office branch) at the Sunday Times were meeting last night to discuss the dispute at Th.

THE LEX COLUMN

# Shell rides out the oil glut

Through seas littered with slow-steaming supertankers, Shell continues its majestic prosupertankers, gress. Second-quarter net in-come, £680m against £710m as reported, comes out at £440m against £373m after stock and currency items, and for the first half there is a 15 per cent underlying increase to £908m.

This is a fine performance at a time when demand is falling steeply — by 5 per cent overall in the first half for the non-Communist world, Shell reckons. Essentially, the group is still thriving upstream, where prices are much higher than a year ago, and its North Ameri-can domestic businesses are very strong. Higher gas prices have made up for a volume fall, and in the difficult markets for refined products Shell has managed to pass on its costs. By shedding unprofitable market share (its volume product sales were 7 per cent down in the second quarter) it has greatly

The only really weak point is chemicals, where the group must now be making losses outside North America—unfortunately. Shell does not feel that it need disclose interim earnings figures for a business with a mere £34bu of annual sales. One problem in the chemical market has been customer destocking, which may spread to oil products now that the level of world oil stocks—an unprecedented 5bn barrels— Africa compared with the and the continuing surplus of second half of 1979, an increase supply over demand are reducing fears of shortage.

ket purchases.

Against this, however, the group will benefit from the steady raising of gas prices in Europe and Japan, and it may turn in an underlying £1.8bn 25 per cent higher this year (against £1.6bn) for the year compared with 1979, pre-tax profits may emerge in the region next year from further gas price rises, the North Sea and the U.S., and Shell has exceptional defensive strengths at a time of weakness in the oil markets. At 422p the shares trade at about 61 times underlying earnings rated of the clearers, presum-earnings and yield a prospective ably because of the market's

#### Barclays Bank Barclays' pre-tax profits of

follow the pattern set by Natwest and Lloyds, with a gain of 13} per cent over the same period in 1979, but a slight case of Midland and Natwest there has been a sharp rise in and debts, which could be very close to 1979 average levels, bad debt provisions—from around £15m, plus certain of its while manufacturers seem to £26.6m to £64.4m—as the bank trading names. The purchase have had trouble shifting their suddenly discovers a host of price will be decided in Janu- stocks in the second quarter.

BANKS

accounts. Cartainly dubious overdrafts have risen over the half year, from about 55 per cent of limits to 62 per cent. And although the bank says it will reduced the need for spot mar- do all it can for its customers in these difficult times, so far in 1980 it has turned to the Receiver just as much as every-body else.

The changeover from current to deposit accounts may have cost Barclay's about £20m, but the switch seems to have been smaller than that experienced by the other clearers. Meanwhile, the international arm has continued to expand, helped by a 15 per cent gain in South in the Eurodollar book and strong foreign exchange business as UK residents have taken advantage of the abolition of exchange controls.

With costs likely to be about of £550m, against £529.4m. The share price rose 5p yesterday to 425p, producing a prospective p/e of about 5½, fully-taxed, and a yield of maybe 61 per cent. This makes it the most highly belief in the insulation against a fall in interest rates provided by Mercantile, Barclaycard and the international operation.

John Myers is one of the less

ary, and could involve UDS in Index rose 6.2 to 4745 modest book losses. In return it will be releasing a slab of unproductive capital tied up in a business which—with per-haps 3 per cent of the mail order market—seems to be too small to be viable as an independent GUS has a very strong position in the industry but rather curiously—it seems that be cause GUS is not actually buying the company the deal does not hold any interest for the Office of Fair Trading.

#### Distillers

According to its annual report, Distillers believes that there will be "no more than a modest improvement" in this year's results—and even that sounds quite hopeful. Home sales and exports have dropped sharply in the first quarter, and the profits outcome depends very much on some measure of recovery appearing in the autumn. Meanwhile the balance sheet remains very strong, and although stocks rose twice as fast as sales last year there was little call for external finance. The shares yield just over 7 percent, and the dividend is 1.6 times covered by current cost earnings.

Even on seasonally adjusted figures the UK public sector borrowing requirement in the first quarter of 1980-81, at £4.475n, was more than half the budgeted figure for the year as a whole. Needless to say there are plenty of excuses, mostly involving semi-seasonal timing factors—which casts some doubt on the usefulness of the present seasonal adjustment - but the £8.5bn plan for the year now

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looks a forlorn hope.

The stock market, though, saw fit to ignore the figures. Equities as measured by the All-Share-Index touched a new high, and gilt-edged were quietly firm. Some gilt-edged fund managers might be expected to react jumpily to news that the PSER is running well ahead of debt sales to the non-bank private sector, but they are presumably

Moreover, figures for stocks and capital expenditure in the happy relics of UDS's bidding second quarter show clearly rampage in the early 1970s: it why bank lending has been holddecline from the peak of the cost £101m in 1971 money, and ing up at so high a level. Capital previous six months. As in the is not profitable. Now GUS is spending — even among manuing up at so high a level. Capital to acquire its mail order agents facturing companies—is holding

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